

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-CSRS

MASSMUTUAL PARTICIPATION INVESTORS  
Form N-CSRS  
September 09, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number 811-5531  
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MassMutual Participation Investors  
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(Exact name of registrant as specified in charter)

1500 Main Street, P.O. Box 15189, Springfield, MA 01115-5189  
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(Address of principal executive offices) (Zip code)

Patricia J. Walsh, Vice President, Secretary and Chief Legal Officer  
1500 Main Street, Suite 2800, P.O. Box 15189, Springfield, MA 01115-5189  
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(Name and address of agent for service)

Registrant's telephone number, including area code: 413-226-1000  
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Date of fiscal year end: 12/31  
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Date of reporting period: 06/30/09  
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Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 110 F Street NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORT TO STOCKHOLDERS.

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Attached hereto is the semi-annual shareholder report transmitted to shareholders pursuant to Rule 30e-1 of the Investment Company Act of 1940, as amended.

MASSMUTUAL  
PARTICIPATION INVESTORS

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REPORT FOR THE  
FOR THE SIX MONTHS ENDED JUNE 30, 2009

### ADVISER

Babson Capital Management LLC  
1500 Main Street, P.O. 15189  
Springfield, Massachusetts 01115-5189

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP  
Boston, Massachusetts 02110

### COUNSEL TO THE TRUST

Ropes & Gray LLP  
Boston, Massachusetts 02110

### CUSTODIAN

Citibank, N.A.  
New York, New York 10043

### TRANSFER AGENT & REGISTRAR

Shareholder Financial Services, Inc.  
P.O. Box 173673  
Denver, Colorado 80217-3673  
1-800-647-7374

### INTERNET WEBSITE

[www.babsoncapital.com/mpv](http://www.babsoncapital.com/mpv)

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MassMutual Participation Investors  
c/o Babson Capital Management LLC  
[LOGO] 1500 Main Street, Suite 2200  
Springfield, Massachusetts 01115  
(413) 226-1516

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### INVESTMENT OBJECTIVE AND POLICY

MassMutual Participation Investors (the "Trust") is a closed-end management investment company, first offered to the public in 1988, whose shares are traded on the New York Stock Exchange under the trading symbol "MPV". The Trust's share price can be found in the financial section of most newspapers as "MassPrt" or "MassMuPrt" under the New York Stock Exchange listings or Closed-End Fund Listings.

The Trust's investment objective is to maximize total return by providing a high level of current income, the potential for growth of income, and capital appreciation. The Trust's principal investments are privately placed, below-investment grade, long-term debt obligations purchased directly from their issuers, which tend to be smaller companies. At least half of these investments normally include equity features such as common stock, warrants, conversion rights, or other equity features that provide the Trust with the opportunity to realize capital gains. The Trust will also invest in publicly traded debt securities (including high yield securities), again with an emphasis on those with equity features, and in convertible preferred stocks and, subject to certain limitations, readily marketable equity securities. Below investment grade or high yield securities have predominantly speculative characteristics with respect to the capacity of the issuer to pay interest and repay principal. In addition, the Trust may temporarily invest in high quality, readily marketable securities.

Babson Capital Management LLC ("Babson Capital") manages the Trust on a total return basis. The Trust distributes substantially all of its net income to shareholders each year. Accordingly, the Trust pays dividends to shareholders in January, May, August, and November. All registered shareholders are automatically enrolled in the Dividend Reinvestment and Cash Purchase Plan unless cash distributions are requested.

### FORM N-Q

The Trust files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. This information is available (i) on the SEC's website at <http://www.sec.gov>; and (ii) at the SEC's Public Reference Room in Washington, DC (which information on their operation may be obtained by calling 1-800-SEC-0330). A complete schedule of portfolio holdings as of each quarter-end is available upon request by calling, toll-free, 866-399-1516.

### PROXY VOTING POLICIES & PROCEDURES; PROXY VOTING RECORD

The Trustees of the Trust have delegated proxy voting responsibilities relating to the voting of securities held by the Trust to Babson Capital. A description of Babson Capital's proxy voting policies and procedures is available (1) without charge, upon request, by calling, toll-free 866-399-1516; (2) on the Trust's website: <http://www.babsoncapital.com/mpv>; and (3) on the SEC's website at <http://www.sec.gov>. Information regarding how the Trust voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) on the Trust's website: <http://www.babsoncapital.com/mpv>; and (2) on the SEC's website at <http://www.sec.gov>.

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MVP  
Listed  
NYSE

TO OUR SHAREHOLDERS  
July 31, 2009

MassMutual Participation Investors

We are pleased to present the June 30, 2009 Quarterly Report of MassMutual Participation Investors (the "Trust").

The Board of Trustees declared a quarterly dividend of 25 cents per share, payable on August 14, 2009 to shareholders of record on August 3, 2009. The Trust had previously paid a 25 cent per share dividend for the preceding quarter.

U.S. equity markets, as approximated by the Russell 2000 Index, increased 20.69% for the quarter. U.S. fixed income markets, as approximated by the Barclays Capital U.S. Corporate High Yield Index, increased 23.07% for the quarter.

Middle market buyout activity increased moderately during the second quarter as the financial markets continued to stabilize. However, senior lending capacity, one of the key drivers of buyout activity, continues to be limited as banks and other senior capital providers refrain from taking risk. Until senior lending capacity expands, we expect middle market buyout activity to remain sluggish. During the quarter, we closed on two new investments and two add-on investments in existing portfolio companies. Shortly after quarter end, we closed on two additional new investments. While we are pleased with these additions to the portfolio, as new investments continue to be more conservatively structured and attractively priced than has been the market norm for the past few years, we do not expect a sustained rebound in new investment activity for the foreseeable future. We continue to spend considerable time working with our existing portfolio companies. The current weak economic conditions and the difficult banking environment is negatively impacting the ability of many of our portfolio companies to service their debts. We expect this to continue to be the case for at least the rest of 2009. We did have one portfolio company sold during the quarter and we realized a gain on our investment. However, we expect realization activity to remain slow until credit availability improves.

During the quarter, the Trust made private placement investments in two new issuers and two "follow-on" investments, totaling approximately \$2.8 million. The follow-on investments purchased by the Trust were K P I Holdings, Inc. and Postle Aluminum Company LLC. The two new issuers were Apex Analytix Holding Corporation and Telecorps Holdings, Inc. The weighted average coupon of these investments was 12.64%. (A brief description of these investments can be found in the Consolidated Schedule of Investments.)

During the quarter ended June 30, 2009, net assets of the Trust increased to \$109,871,490 or \$11.05 per share compared to \$105,445,089 or \$10.62 per share on March 31, 2009, which translates into a 6.49% total return for the quarter, based on the change in the Trust's net assets assuming the reinvestment of all dividends. Long term, the Trust returned -4.89%, 4.05%, 11.73%, and 11.05% for the 1-, 3-, 5-, and 10-year time periods, respectively, based on the change in the Trust's net assets assuming the reinvestment of all dividends. The Trust earned 23 cents per share of net investment income for the quarter, compared to 27 cents per share in the previous quarter.

During the quarter ended June 30, 2009, the market price of the Trust increased 29.9% from \$8.50 per share to \$11.04 per share. The Trust's market price of \$11.04 per share equates to a 0.1% discount to the June 30, 2009 net asset value per share. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 3.1%, 6.8% and 5.1%, respectively.

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Thank you for your continued interest in and support of MassMutual Participation Investors.

Sincerely,

/s/ Michael L. Klofas

Michael L. Klofas  
President

PORTFOLIO COMPOSITION AS OF 6/30/09\*

[PIE CHART APPEARS HERE]

|  |  |
|--|--|
| PRIVATE / RESTRICTED<br>EQUITY<br>13.4%  | PUBLIC EQUITY<br>0.4%                      |
| CASH & SHORT TERM<br>INVESTMENTS<br>4.8% | PRIVATE / 144A HIGH<br>YIELD DEBT<br>68.6% |
| PUBLIC HIGH YIELD<br>DEBT<br>12.8%       |  |

\* Based on market value of total investments (including cash) Cautionary Notice: Certain statements contained in this report may be "forward looking" statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs, and which are subject to risks and uncertainties that may cause actual results to differ materially. These statements are subject to change at any time based upon economic, market or other conditions and may not be relied upon as investment advice or an indication of the Trust's trading intent. References to specific securities are not recommendations of such securities, and may not be representative of the Trust's current or future investments. We undertake no obligation to publicly update forward looking statements, whether as a result of new information, future events, or otherwise.

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1

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 2009  
(UNAUDITED)

ASSETS:

|   |               |
|---|---------------|
| Investments   |               |
| (See Consolidated Schedule of Investments)                              |               |
| Corporate restricted securities at fair value<br>(Cost - \$117,063,221) | \$ 99,123,247 |
| Corporate public securities at market value<br>(Cost - \$18,828,264)    | 16,004,282    |
| Short-term securities at amortized cost                                 | 4,310,000     |
|   | 119,437,529   |
| Cash  | 1,430,039     |

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|                                 |           |
|---------------------------------|-----------|
| Interest receivable             | 2,994,401 |
| Receivable for investments sold | 37,508    |
| Prepaid taxes                   | 150,000   |
| Other assets                    | 12,573    |
|                                 | -----     |

|              |             |
|--------------|-------------|
| TOTAL ASSETS | 124,062,050 |
|              | -----       |

LIABILITIES:

|                                   |            |
|-----------------------------------|------------|
| Payable for investments purchased | 1,600,106  |
| Investment advisory fee payable   | 247,211    |
| Note payable                      | 12,000,000 |
| Interest payable                  | 88,933     |
| Accrued expenses                  | 160,656    |
| Other payables                    | 93,654     |
|                                   | -----      |

|                   |            |
|-------------------|------------|
| TOTAL LIABILITIES | 14,190,560 |
|                   | -----      |

|                  |                |
|------------------|----------------|
| TOTAL NET ASSETS | \$ 109,871,490 |
|                  | =====          |

NET ASSETS:

|   |              |
|---|--------------|
| Common shares, par value \$.01 per share;<br>an unlimited number authorized | \$ 99,462    |
| Additional paid-in capital  | 92,759,085   |
| Retained net realized gain on investments, prior years                      | 32,871,737   |
| Undistributed net investment income   | 4,274,692    |
| Accumulated net realized gain on investments                                | 630,470      |
| Net unrealized depreciation of investments                                  | (20,763,956) |
|   | -----        |

|                  |                |
|------------------|----------------|
| TOTAL NET ASSETS | \$ 109,871,490 |
|                  | =====          |

|                                      |           |
|--------------------------------------|-----------|
| COMMON SHARES ISSUED AND OUTSTANDING | 9,946,214 |
|                                      | =====     |

|                           |          |
|---------------------------|----------|
| NET ASSET VALUE PER SHARE | \$ 11.05 |
|                           | =====    |

See Notes to Consolidated Financial Statements

2

CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2009  
(UNAUDITED)

MassMutual Participation Investors

INVESTMENT INCOME:

|           |              |
|-----------|--------------|
| Interest  | \$ 6,074,512 |
| Dividends | 792          |
| Other     | 16,909       |
|           | -----        |

|                         |           |
|-------------------------|-----------|
| TOTAL INVESTMENT INCOME | 6,092,213 |
|                         | -----     |

EXPENSES:

|                          |         |
|--------------------------|---------|
| Investment advisory fees | 484,462 |
|--------------------------|---------|

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|   |              |
|---|--------------|
| Interest  | 348,000      |
| Trustees' fees and expenses                             | 82,875       |
| Professional fees                                       | 78,000       |
| Reports to shareholders                                 | 54,000       |
| Custodian fees  | 15,000       |
| Transfer agent/registrar's expenses                     | 12,000       |
| Other   | 43,050       |
|   | -----        |
| TOTAL EXPENSES  | 1,117,387    |
|   | -----        |
| INVESTMENT INCOME - NET                                 | 4,974,826    |
|   | -----        |
| <br>  |              |
| NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS: |              |
| Net realized gain on investments before taxes           | 1,382,313    |
| Income tax expense                                      | (6,701)      |
|   | -----        |
| Net realized gain on investments after taxes            | 1,375,612    |
| Net change in unrealized depreciation of investments    | (4,377,575)  |
|   | -----        |
| NET LOSS ON INVESTMENTS                                 | (3,001,963)  |
|   | -----        |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS    | \$ 1,972,863 |
|   | =====        |

See Notes to Consolidated Financial Statements

3

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED JUNE 30, 2009  
(UNAUDITED)

|   |              |
|---|--------------|
| NET DECREASE IN CASH:   |              |
| Cash flows from operating activities:                                   |              |
| Purchases/Proceeds/Maturities from short-term portfolio securities, net | \$ 1,424,793 |
| Purchases of portfolio securities                                       | (12,169,971) |
| Proceeds from disposition of portfolio securities                       | 11,186,596   |
| Interest, dividends and other income received                           | 4,449,956    |
| Interest expense paid   | (348,000)    |
| Operating expenses paid   | (768,403)    |
| Income taxes paid   | (29,701)     |
|   | -----        |
| NET CASH PROVIDED BY OPERATING ACTIVITIES                               | 3,745,270    |
|   | -----        |
| <br>  |              |
| Cash flows from financing activities:                                   |              |
| Cash dividends paid from net investment income                          | (4,963,622)  |
| Receipts for shares issued on reinvestment of dividends                 | 204,508      |
|   | -----        |
| NET CASH USED FOR FINANCING ACTIVITIES                                  | (4,759,114)  |
|   | -----        |
| <br>  |              |
| NET DECREASE IN CASH  | (1,013,844)  |
| Cash - beginning of year  | 2,443,883    |
|   | -----        |

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CASH - END OF PERIOD \$ 1,430,039  
=====

RECONCILIATION OF NET INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

|  |              |  |
|--|--------------|--|
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | \$ 1,972,863 |  |
|  | -----        |  |
| Decrease in investments                              | 1,944,106    |  |
| Increase in interest and dividends receivable        | (1,453,673)  |  |
| Decrease in receivable for investments sold          | 71,143       |  |
| Increase in other assets                             | (12,573)     |  |
| Increase in payable for investments purchased        | 1,187,330    |  |
| Decrease in investment advisory fee payable          | (685)        |  |
| Increase in accrued expenses                         | 14,242       |  |
| Decrease in accrued taxes payable                    | (23,000)     |  |
| Increase in other payables                           | 45,517       |  |
|  | -----        |  |
| TOTAL ADJUSTMENTS TO NET ASSETS FROM OPERATIONS      | 1,772,407    |  |
|  | -----        |  |
| NET CASH PROVIDED BY OPERATING ACTIVITIES            | \$ 3,745,270 |  |
|  | =====        |  |

See Notes to Consolidated Financial Statements

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4

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS MassMutual Participation Investors

|   | For the six<br>months ended<br>06/30/09<br>(Unaudited) | For the<br>year ended<br>12/31/08 |
|---|--|-----------------------------------|
|   | -----  | -----                             |
| DECREASE IN NET ASSETS:   |  |                                   |
| Operations:   |  |                                   |
| Investment income - net   | \$ 4,974,826   | \$ 10,671,93                      |
| Net realized gain (loss) on investments                         | 1,375,612  | (1,165,02                         |
| Net change in unrealized depreciation of investments            | (4,377,575)  | (16,888,30                        |
|   | -----  | -----                             |
| Net increase (decrease) in net assets resulting from operations | 1,972,863  | (7,381,39                         |
| Increase from common shares issued on reinvestment of dividends |  |                                   |
| Common shares issued (2009 - 18,971; 2008 - 65,632)             | 204,508  | 847,13                            |
| Dividends to shareholders from:                                 |  |                                   |
| Net investment income (2009 - \$0.25; 2008 - \$1.00)            | (2,481,811)  | (9,915,14                         |
|   | -----  | -----                             |



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|   |                |                |
|---|----------------|----------------|
| TOTAL DECREASE IN NET ASSETS  | (304,440)      | (16,449,400)   |
| NET ASSETS, BEGINNING OF YEAR   | 110,175,930    | 126,625,330    |
| NET ASSETS, END OF PERIOD/YEAR (including undistributed net investment income of \$4,274,692 and \$1,781,677, respectively) | \$ 109,871,490 | \$ 110,175,930 |

See Notes to Consolidated Financial Statements

6

### CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS

SELECTED DATA FOR EACH SHARE OF BENEFICIAL INTEREST OUTSTANDING:

|  | For the six months<br>ended 06/30/2009 |           | For the years e |           |
|--|--|-----------|-----------------|-----------|
|  | (Unaudited)                            | 2008      | 2007            | 2006      |
| Net asset value:   |  |           |                 |           |
| Beginning of year  | \$ 11.10                               | \$ 12.84  | \$ 12.90        | \$ 12.90  |
| Net investment income (a)  | 0.50                                   | 1.08      | 1.23            | 1.23      |
| Net realized and unrealized gain (loss) on investments                 | (0.30)                                 | (1.82)    | (0.05)          | (0.05)    |
| Total from investment operations                                       | 0.20                                   | (0.74)    | 1.18            | 1.18      |
| Dividends from net investment income to common shareholders            | (0.25)                                 | (1.00)    | (1.23)          | (1.23)    |
| Dividends from net realized gain on investments to common shareholders | --                                     | --        | (0.02)          | (0.02)    |
| Increase from dividends reinvested                                     | --                                     | 0.00 (c)  | 0.01            | 0.01      |
| Total dividends  | (0.25)                                 | (1.00)    | (1.24)          | (1.24)    |
| Net asset value: End of period/year                                    | \$ 11.05                               | \$ 11.10  | \$ 12.84        | \$ 12.84  |
| Per share market value:  |  |           |                 |           |
| End of period/year   | \$ 11.04                               | \$ 9.05   | \$ 13.18        | \$ 13.18  |
| Total investment return  |  |           |                 |           |
| Net asset value (d)  | 1.89%                                  | (6.01%)   | 9.95%           | 18.95%    |
| Market value   | 24.70%                                 | (25.36%)  | (1.30%)         | 16.30%    |
| Net assets (in millions):  |  |           |                 |           |
| End of period/year   | \$ 109.87                              | \$ 110.18 | \$ 126.63       | \$ 126.63 |

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|   |           |       |       |   |
|---|-----------|-------|-------|---|
| Ratio of operating expenses<br>to average net assets                                | 1.43% (e) | 1.33% | 1.36% | 1 |
| Ratio of interest expense<br>to average net assets                                  | 0.65% (e) | 0.58% | 0.56% | 0 |
| Ratio of income tax expense<br>to average net assets (f)                            | 0.01% (e) | 0.00% | 0.48% | 2 |
| Ratio of total expenses before custodian fee<br>reduction to average net assets (f) | 2.09% (e) | 1.91% | 2.40% | 4 |
| Ratio of net expenses after custodian fee<br>reduction to average net assets (f)    | 2.09% (e) | 1.91% | 2.40% | 4 |
| Ratio of net investment income<br>to average net assets                             | 9.23% (e) | 8.74% | 9.32% | 8 |
| Portfolio turnover  | 10%       | 32%   | 33%   |   |

- (a) Calculated using average shares.
- (b) Amount includes \$0.10 per share in litigation proceeds.
- (c) Rounds to less than \$0.01 per share.
- (d) Net asset value return represents portfolio returns based on change in the Trust's net asset value less all dividends and distributions which differs from the total investment return based on the Trust's net asset value difference between the Trust's net asset value and the market value of its shares outstanding at the end of the period of future results.
- (e) Annualized.
- (f) As additional information, this ratio is included to reflect the taxes paid on retained long-term capital gains netted against realized capital gains in the Statement of Operations. The taxes paid are treated as a credit for the taxes paid is passed on to shareholders.

|   |           |           |           |      |
|---|-----------|-----------|-----------|------|
| Senior borrowings:                            |           |           |           |      |
| Total principal amount (in millions)          | \$ 12     | \$ 12     | \$ 12     | \$   |
| Asset coverage per \$1,000<br>of indebtedness | \$ 10,156 | \$ 10,181 | \$ 11,552 | \$ 1 |

See Notes to Consolidated Financial Statements

6

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS  
June 30, 2009  
(Unaudited)

|  |   |                     |
|--|---|---------------------|
|  | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
| CORPORATE RESTRICTED SECURITIES - 90.22% (A) | -----   | -----               |

PRIVATE PLACEMENT INVESTMENTS - 86.51%

A H C HOLDING COMPANY, INC.

A designer and manufacturer of boilers and water heaters for the commercial sector.

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|                                       |              |          |
|---------------------------------------|--------------|----------|
| 15% Senior Subordinated Note due 2015 | \$ 1,292,473 | 11/21/07 |
| Limited Partnership Interest (B)      | 7.93% int.   | 11/21/07 |

A S A P INDUSTRIES LLC

A designer and manufacturer of components used on oil and natural gas wells.

|  |            |          |
|--|------------|----------|
| 12.5% Senior Subordinated Note due 2015      | \$ 600,667 | 12/31/08 |
| Limited Liability Company Unit Class A-2 (B) | 677 uts.   | 12/31/08 |
| Limited Liability Company Unit Class A-3 (B) | 608 uts.   | 12/31/08 |

A T I ACQUISITION COMPANY

A for-profit post-secondary school serving students in Texas, Florida and Arizona.

|   |              |          |
|---|--------------|----------|
| 12% Senior Subordinated Note due 2012   | \$ 1,125,000 | 04/08/04 |
| Warrant, exercisable until 2012, to purchase preferred stock at \$.01 per share (B) | 7 shs.       | 11/16/07 |
| Warrant, exercisable until 2012, to purchase common stock at \$.02 per share (B)    | 1,230 shs.   | 04/08/04 |

A W X HOLDINGS CORPORATION

A provider of aerial equipment rental, sales and repair services to non-residential construction operating in the State of Indiana.

|  |             |          |
|--|-------------|----------|
| 10.5% Senior Secured Term Note due 2014  | \$ 420,000  | 05/15/08 |
| 13% Senior Subordinated Note due 2015  | \$ 420,000  | 05/15/08 |
| Common Stock (B)   | 60,000 shs. | 05/15/08 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 21,099 shs. | 05/15/08 |

ADVANCED TECHNOLOGIES HOLDINGS

A provider of factory maintenance services to industrial companies.

|                                       |              |          |
|---------------------------------------|--------------|----------|
| 15% Senior Subordinated Note due 2013 | \$ 1,129,894 | 12/27/07 |
| Preferred Stock (B)                   | 546 shs.     | 12/27/07 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)                                 | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|--|---|---------------------|
|  | -----   | -----               |
| AERO HOLDINGS, INC.  |   |                     |
| A provider of geospatial services to corporate and government clients.           |   |                     |
| 10.5% Senior Secured Term Note due 2014  | \$ 930,000  | 03/09/07            |
| 14% Senior Subordinated Note due 2015  | \$ 720,000  | 03/09/07            |
| Common Stock (B)   | 150,000 shs.  | 03/09/07            |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 37,780 shs.   | 03/09/07            |

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ALL CURRENT HOLDING COMPANY

A specialty re-seller of essential electrical parts and components primarily serving wholesale di

|   |            |          |
|---|------------|----------|
| 12% Senior Subordinated Note due 2015   | \$ 603,697 | 09/26/08 |
| Common Stock (B)  | 713 shs.   | 09/26/08 |
| Warrant, exercisable until 2018, to purchase<br>common stock at \$.01 per share (B) | 507 shs.   | 09/26/08 |

AMERICAN HOSPICE MANAGEMENT HOLDING LLC

A for-profit hospice care provider in the United States.

|                                       |              |          |
|---------------------------------------|--------------|----------|
| 12% Senior Subordinated Note due 2013 | \$ 1,687,503 | *        |
| Preferred Class A Unit (B)            | 1,706 uts.   | **       |
| Preferred Class B Unit (B)            | 808 uts.     | 06/09/08 |
| Common Class B Unit (B)               | 16,100 uts.  | 01/22/04 |
| Common Class D Unit (B)               | 3,690 uts.   | 09/12/06 |

APEX ANALYTIX HOLDING CORPORATION

A provider of audit recovery and fraud detection services and software to commercial and retail b

|   |              |          |
|---|--------------|----------|
| 12.5% Senior Subordinated Note due 2016 | \$ 1,012,500 | 04/28/09 |
| Preferred Stock Series B (B)            | 1.623 shs.   | 04/28/09 |
| Common Stock (B)                        | 723 shs.     | 04/28/09 |

ARROW TRU-LINE HOLDINGS, INC.

A manufacturer of hardware for residential and commercial overhead garage doors in North America.

|   |            |          |
|---|------------|----------|
| 12% Senior Subordinated Note due 2012   | \$ 861,702 | 05/18/05 |
| Common Stock (B)  | 263 shs.   | 05/18/05 |
| Warrant, exercisable until 2012, to purchase<br>common stock at \$.01 per share (B) | 69 shs.    | 05/18/05 |

\* 01/22/04 and 06/09/08.

\*\* 01/22/04 and 09/12/06.

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8

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

June 30, 2009

(Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued) | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|--|---|---------------------|
|  | -----   | -----               |

BRAVO SPORTS HOLDING CORPORATION

A designer and marketer of niche branded consumer products including canopies, trampolines, in-li  
urethane wheels.

|   |              |          |
|---|--------------|----------|
| 12.5% Senior Subordinated Note due 2014 | \$ 1,207,902 | 06/30/06 |
| Preferred Stock Class A (B)             | 465 shs.     | 06/30/06 |

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|   |  |          |          |
|---|--|----------|----------|
| Common Stock (B)  |  | 1 sh.    | 06/30/06 |
| Warrant, exercisable until 2014, to purchase<br>common stock at \$.01 per share (B) |  | 164 shs. | 06/30/06 |

C D N T, INC.

A value-added converter and distributor of specialty pressure sensitive adhesives, foams, films,

|   |    |             |          |
|---|----|-------------|----------|
| 10.5% Senior Secured Term Note due 2014   | \$ | 429,070     | 08/07/08 |
| 12.5% Senior Subordinated Note due 2015   | \$ | 429,070     | 08/07/08 |
| Common Stock (B)  |    | 41,860 shs. | 08/07/08 |
| Warrant, exercisable until 2018, to purchase<br>common stock at \$.01 per share (B) |    | 32,914 shs. | 08/07/08 |

CAPITAL SPECIALTY PLASTICS, INC.

A producer of desiccant strips used for packaging pharmaceutical products.

|                  |  |         |   |
|------------------|--|---------|---|
| Common Stock (B) |  | 55 shs. | * |
|------------------|--|---------|---|

CLOUGH, HARBOUR AND ASSOCIATES

An engineering service firm that is located in Albany, NY.

|  |    |           |          |
|--|----|-----------|----------|
| 12.25% Senior Subordinated Note due 2015 | \$ | 1,270,588 | 12/02/08 |
| Preferred Stock (B)                      |    | 147 shs.  | 12/02/08 |

COEUR, INC.

A producer of proprietary, disposable power injection syringes.

|   |    |          |          |
|---|----|----------|----------|
| 12% Senior Subordinated Note due 2016   | \$ | 642,857  | 10/10/08 |
| Common Stock (B)  |    | 321 shs. | 10/10/08 |
| Warrant, exercisable until 2018, to purchase<br>common stock at \$.01 per share (B) |    | 495 shs. | 10/10/08 |

CONNECTICUT ELECTRIC, INC.

A supplier and distributor of electrical products sold into the retail and wholesale markets.

|  |    |             |          |
|--|----|-------------|----------|
| 12% Senior Subordinated Note due 2014      | \$ | 1,267,387   | 01/12/07 |
| Limited Liability Company Unit Class A (B) |    | 82,613 uts. | 01/12/07 |
| Limited Liability Company Unit Class C (B) |    | 59,756 uts. | 01/12/07 |

\* 12/30/97 and 05/29/99.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued) | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP ACQUISITION |       |
|--|---|-------|
|  | PERCENTAGE  | DATE  |
|  | -----   | ----- |

CONNOR SPORT COURT INTERNATIONAL, INC.

A designer and manufacturer of outdoor and indoor synthetic sports flooring and other temporary flooring

|                                |  |            |          |
|--------------------------------|--|------------|----------|
| Preferred Stock Series B-2 (B) |  | 9,081 shs. | 07/05/07 |
|--------------------------------|--|------------|----------|

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|                                  |            |          |
|----------------------------------|------------|----------|
| Preferred Stock Series C (B)     | 4,757 shs. | 07/05/07 |
| Common Stock (B)                 | 380 shs.   | 07/05/07 |
| Limited Partnership Interest (B) | 4.43% int. | *        |

COREPHARMA LLC

A manufacturer of oral dose generic pharmaceuticals targeted at niche applications.

|   |              |          |
|---|--------------|----------|
| 12% Senior Subordinated Note due 2013   | \$ 1,350,000 | 08/04/05 |
| Warrant, exercisable until 2013, to purchase common stock at \$.001 per share (B) | 10 shs.      | 08/04/05 |

CRANE RENTAL CORPORATION

A crane rental company.

|  |              |          |
|--|--------------|----------|
| 13% Senior Subordinated Note due 2015  | \$ 1,215,000 | 08/21/08 |
| Common Stock (B)   | 135,000 shs. | 08/21/08 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 72,037 shs.  | 08/21/08 |

DAVIS-STANDARD LLC

A manufacturer, assembler, and installer of a broad range of capital equipment that is used in the processing of plastic materials.

|   |            |          |
|---|------------|----------|
| 12% Senior Subordinated Note due 2014   | \$ 978,261 | 10/30/06 |
| Limited Partnership Interest (B)  | 0.97% int. | 10/30/06 |
| Warrant, exercisable until 2014, to purchase preferred stock at \$.01 per share (B) | 26 shs.    | 10/30/06 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)    | 18 shs.    | 10/30/06 |

DIVERSCO, INC./DHI HOLDINGS, INC.

A contract provider of janitorial and equipment maintenance services and temporary production labor.

|   |             |          |
|---|-------------|----------|
| Membership Interests of MM/Lincap Diversco Investments Ltd. LLC (B)                                     | 13.57% int. | 08/27/98 |
| Preferred Stock (B)   | 1,639 shs.  | 12/14/01 |
| Warrants, exercisable until 2011, to purchase common stock of DHI Holdings, Inc. at \$.01 per share (B) | 6,676 shs.  | **       |

\* 08/12/04 and 01/14/05.

\*\* 10/24/96 and 08/28/98.

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10

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)

|  |   |                     |
|--|---|---------------------|
|  | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
| CORPORATE RESTRICTED SECURITIES: (A) (Continued) |   |                     |

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DUNCAN SYSTEMS, INC.

A distributor of windshields and side glass for the recreational vehicle market.

|  |              |          |
|--|--------------|----------|
| 10% Senior Secured Term Note due 2013  | \$ 308,571   | 11/01/06 |
| 13% Senior Subordinated Note due 2014  | \$ 488,572   | 11/01/06 |
| Common Stock (B)   | 102,857 shs. | 11/01/06 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 32,294 shs.  | 11/01/06 |

DWYER GROUP, INC.

A franchiser of a variety of home repair services.

|  |            |          |
|--|------------|----------|
| Common Stock (B)   | 3,656 shs. | *        |
| Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B) | 1,077 shs. | 10/30/03 |

E S P HOLDCO, INC.

A manufacturer of power protection technology for commercial office equipment, primarily supplying network.

|                                       |              |          |
|---------------------------------------|--------------|----------|
| 14% Senior Subordinated Note due 2015 | \$ 1,210,600 | 01/08/08 |
| Common Stock (B)                      | 349 shs.     | 01/08/08 |

E X C ACQUISITION CORPORATION

A manufacturer of pre-filled syringes and pump systems used for intravenous drug delivery.

|  |         |          |
|--|---------|----------|
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 11 shs. | 06/28/04 |
|--|---------|----------|

F C X HOLDINGS CORPORATION

A distributor of specialty/technical valves, actuators, accessories, and process instrumentation high purity, and energy end markets in North America.

|                                       |              |          |
|---------------------------------------|--------------|----------|
| 15% Senior Subordinated Note due 2015 | \$ 1,143,550 | 10/06/08 |
| Preferred Stock (B)                   | 2,298 shs.   | 10/06/08 |
| Common Stock (B)                      | 1,625 shs.   | 10/06/08 |

F H S HOLDINGS LLC

A national provider of customized disease management services to large self-insured employers.

|  |              |          |
|--|--------------|----------|
| 12% Senior Subordinated Note due 2014                          | \$ 1,265,625 | 06/01/06 |
| Limited Liability Company Units of Linden/FHS Holdings LLC (B) | 84 uts.      | 06/01/06 |
| Common Unit Class B (B)  | 734 shs.     | 06/01/06 |

\* 10/30/03 and 01/02/04.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)

PRINCIPAL AMOUNT,  
SHARES, UNITS,

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| CORPORATE RESTRICTED SECURITIES: (A) (Continued)  | OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|---|----------------------------|---------------------|
|   | -----                      | -----               |
| <b>FLUTES, INC.</b>   |                            |                     |
| An independent manufacturer of micro fluted corrugated sheet material for the food and consumer products      |                            |                     |
| 10% Senior Secured Term Note due 2013   | \$ 524,791                 | 04/13/06            |
| 14% Senior Subordinated Note due 2014   | \$ 317,177                 | 04/13/06            |
| Common Stock (B)  | 62,535 shs.                | 04/13/06            |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)                              | 17,680 shs.                | 04/13/06            |
| <br>  |                            |                     |
| <b>FOWLER HOLDING, INC.</b>   |                            |                     |
| A provider of site development services to residential homebuilders and developers in the Raleigh-Durham area |                            |                     |
| 12% Senior Subordinated Note due 2013 (D)   | \$ 1,252,174               | 02/03/06            |
| Common Stock (B)  | 98 shs.                    | 02/03/06            |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)                              | 135 shs.                   | 02/03/06            |
| <br>  |                            |                     |
| <b>FUEL SYSTEMS HOLDING CORPORATION</b>   |                            |                     |
| An independent North American supplier of fuel tanks for a wide variety of commercial vehicles.               |                            |                     |
| 12% Senior Subordinated Note due 2014 (D)   | \$ 1,237,500               | 01/31/06            |
| Preferred Stock (B)   | 16,792 shs.                | 06/12/08            |
| Common Stock (B)  | 112,500 shs.               | 01/31/06            |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)                              | 73,275 shs.                | 01/31/06            |
| <br>  |                            |                     |
| <b>GOLDEN COUNTY FOODS HOLDING, INC.</b>  |                            |                     |
| A manufacturer of frozen appetizers and snacks.   |                            |                     |
| 12% Senior Subordinated Note due 2015   | \$ 1,012,500               | 11/01/07            |
| 16% PIK Note due 2015   | \$ 115,500                 | 12/31/08            |
| 8% Series A Convertible Preferred Stock, convertible into 4.25% of the fully diluted common shares (B)        | 77,643 shs.                | 11/01/07            |
| <br>  |                            |                     |
| <b>H M HOLDING COMPANY</b>  |                            |                     |
| A designer, manufacturer, and importer of promotional and wood furniture.                                     |                            |                     |
| 12% Senior Subordinated Note due 2013 (D)   | \$ 1,170,000               | 02/10/06            |
| Preferred Stock (B)   | 21 shs.                    | *                   |
| Common Stock (B)  | 180 shs.                   | 02/10/06            |
| Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)                              | 67 shs.                    | 02/10/06            |

\* 09/18/07 and 06/27/08.

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12

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)



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| CORPORATE RESTRICTED SECURITIES: (A) (Continued)  | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|---|---|---------------------|
|   | -----   | -----               |
| <b>HIGHGATE CAPITAL LLC</b>   |   |                     |
| An acquirer of controlling or substantial interests in manufacturing and marketing entities.      |   |                     |
| Series A Preferred Units (B)  | 0.30% int.  | 07/21/94            |
| <b>HOME DECOR HOLDING COMPANY</b>   |   |                     |
| A designer, manufacturer and marketer of framed art and wall decor products.                      |   |                     |
| 12.5% Senior Subordinated Note due 2012   | \$ 1,081,731  | *                   |
| Common Stock (B)  | 33 shs.   | *                   |
| Warrant, exercisable until 2012, to purchase<br>common stock at \$.02 per share (B)               | 106 shs.  | *                   |
| <b>HOSPITALITY MINTS HOLDING COMPANY</b>  |   |                     |
| A manufacturer of individually-wrapped imprinted promotional mints.                               |   |                     |
| 12% Senior Subordinated Note due 2016   | \$ 1,098,837  | 08/19/08            |
| Common Stock (B)  | 251 shs.  | 08/19/08            |
| Warrant, exercisable until 2016, to purchase<br>common stock at \$.01 per share (B)               | 65 shs.   | 08/19/08            |
| <b>INSURANCE CLAIMS MANAGEMENT, INC.</b>  |   |                     |
| A third party administrator providing auto and property claim administration services for insuran |   |                     |
| Common Stock (B)  | 37 shs.   | 02/27/07            |
| Warrant, exercisable until 2011, to purchase<br>common stock at \$.01 per share (B)               | 11 shs.   | 02/27/07            |
| <b>INTEGRATION TECHNOLOGY SYSTEMS, INC.</b>   |   |                     |
| A manufacturer of steel protective computer and network systems for the industrial and office env |   |                     |
| 12% Senior Subordinated Note due on demand  | \$ 25,055   | 03/01/04            |
| Common Stock (B)  | 130 shs.  | 06/01/00            |
| <b>JASON, INC.</b>  |   |                     |
| A diversified manufacturing company serving various industrial markets.                           |   |                     |
| 13% Senior Subordinated Note due 2010   | \$ 510,187  | 08/04/00            |
| Limited Partnership Interest of<br>Saw Mill Capital Fund II, L.P. (B)                             | 1.30% int.  | 08/03/00            |
| Warrant, exercisable until 2010, to purchase<br>common stock at \$.01 per share (B)               | 26,931 shs.   | 08/04/00            |

\* 06/30/04 and 08/19/04.

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 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009

## Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-CSRS

(Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)   | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|--|---|---------------------|
|  | -----   | -----               |
| <br>   |   |                     |
| JUSTRITE MANUFACTURING ACQUISITION CO.   |   |                     |
| A manufacturer of safety products such as storage cabinets and containers.   |   |                     |
| 12% Senior Subordinated Note due 2011  | \$ 843,750  | 12/15/04            |
| Warrant, exercisable until 2011, to purchase<br>common stock at \$.01 per share (B)                                | 594 shs.  | 12/15/04            |
| <br>   |   |                     |
| K H O F HOLDINGS, INC.   |   |                     |
| A manufacturer of premium disposable tableware products serving both the foodservice and consumer markets.         |   |                     |
| 14% Senior Subordinated Note due 2014  | \$ 1,275,999  | 10/15/07            |
| Common Stock (B)   | 116,827 shs.  | 10/15/07            |
| <br>   |   |                     |
| K N B HOLDINGS CORPORATION   |   |                     |
| A designer, manufacturer and marketer of products for the custom framing market.                                   |   |                     |
| 13.5% Senior Subordinated Note due 2013  | \$ 1,339,708  | 05/25/06            |
| Common Stock (B)   | 71,053 shs.   | 05/25/06            |
| Warrant, exercisable until 2013, to purchase<br>common stock at \$.01 per share (B)                                | 43,600 shs.   | 05/25/06            |
| <br>   |   |                     |
| K P I HOLDINGS, INC.   |   |                     |
| Pace Industries is the largest player in the U.S. non-automotive, non-ferrous die casting segment.                 |   |                     |
| 13% Senior Subordinated Note due 2014  | \$ 1,115,217  | 07/16/08            |
| Convertible Preferred Stock Series C (B)   | 29 shs.   | 06/30/09            |
| Common Stock (B)   | 235 shs.  | 07/15/08            |
| Warrant, exercisable until 2018, to purchase<br>common stock at \$.01 per share (B)                                | 51 shs.   | 07/16/08            |
| <br>   |   |                     |
| K W P I HOLDINGS CORPORATION   |   |                     |
| A manufacturer and distributor of vinyl windows and patio doors throughout the northwestern United States.         |   |                     |
| 12.75% Senior Subordinated Note due 2014   | \$ 1,323,227  | 03/14/07            |
| Common Stock (B)   | 123 shs.  | 03/13/07            |
| Warrant, exercisable until 2017, to purchase<br>common stock at \$.01 per share (B)                                | 89 shs.   | 03/14/07            |
| <br>   |   |                     |
| K-TEK HOLDING CORPORATION  |   |                     |
| A manufacturer of instrumentation for liquid and bulk solids level detection for process and storage applications. |   |                     |
| 14% Senior Subordinated Note due 2015  | \$ 1,193,019  | 12/20/07            |
| Preferred Stock (B)  | 192,314 shs.  | 12/20/07            |
| Common Stock (B)   | 54,326 shs.   | 12/20/07            |

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## MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)  | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|---|---|---------------------|
|   | -----   | -----               |
| <br>  |   |                     |
| M V I HOLDING, INC.   |   |                     |
| A manufacturer of large precision machined metal components used in equipment which services a variety of oil & gas, mining, and defense markets. |   |                     |
| 13% Senior Subordinated Note due 2016   | \$ 648,014  | 09/12/08            |
| Common Stock (B)  | 32 shs.   | 09/12/08            |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 35 shs.   | 09/12/08            |
| <br>  |   |                     |
| MAIL COMMUNICATIONS GROUP, INC.   |   |                     |
| A provider of mail processing and handling services, lettershop services, and commercial printing.  |   |                     |
| 12.5% Senior Subordinated Note due 2014   | \$ 516,177  | 05/04/07            |
| Limited Liability Company Unit (B)  | 12,763 uts.   | *                   |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)  | 1,787 shs.  | 05/04/07            |
| <br>  |   |                     |
| MAVERICK ACQUISITION COMPANY  |   |                     |
| A manufacturer of capsules that cover the cork and neck of wine bottles.  |   |                     |
| 7.1% Senior Secured Tranche A Note due 2010 (C)   | \$ 188,905  | 09/03/04            |
| 12.5% Senior Secured Tranche B Note due 2011  | \$ 179,104  | 09/03/04            |
| 7.72% Senior Secured Revolver due 2009 (C)  | \$ 29,104   | 09/03/04            |
| Limited Partnership Interest (B)  | 4.48% int.  | 09/03/04            |
| Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)  | 243 shs.  | 09/03/04            |
| <br>  |   |                     |
| MEDSYSTEMS HOLDINGS LLC   |   |                     |
| A manufacturer of enteral feeding products, such as feeding tubes and other products related to a variety of medical products.                    |   |                     |
| 13% Senior Subordinated Note due 2015   | \$ 612,976  | 08/29/08            |
| Preferred Unit (B)  | 66 uts.   | 08/29/08            |
| Common Unit Class A (B)   | 671 uts.  | 08/29/08            |
| Common Unit Class B (B)   | 250 uts.  | 08/29/08            |
| <br>  |   |                     |
| MEGTEC HOLDINGS, INC.   |   |                     |
| A supplier of industrial and environmental products and services to a broad array of industries.  |   |                     |
| 12% Senior Subordinated Note due 2016   | \$ 1,144,068  | 09/24/08            |
| Preferred Stock (B)   | 56 shs.   | 09/24/08            |
| Limited Partnership Interest (B)  | 205,932 int.  | 09/16/08            |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 18 shs.   | 09/24/08            |

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\* 05/04/07 and 01/02/08.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)   | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|--|---|---------------------|
|  | -----   | -----               |
| <br>MICROGROUP, INC.   |   |                     |
| A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and 12% Senior Subordinated Note due 2013 | \$ 1,421,795  | *                   |
| Common Stock (B)   | 238 shs.  | *                   |
| Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)   | 87 shs.   | *                   |
| <br>MILWAUKEE GEAR COMPANY   |   |                     |
| A manufacturer of high-precision custom gears and gear drives used by original equipment manufacturer industries.                      |   |                     |
| 13% Senior Subordinated Note due 2014  | \$ 1,246,154  | 07/21/08            |
| Preferred Stock (B)  | 139 shs.  | 07/21/08            |
| Common Stock (B)   | 9 shs.  | 07/21/08            |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)   | 6 shs.  | 07/21/08            |
| <br>MOMENTUM HOLDING CO.   |   |                     |
| A designer and supplier of upholstery fabric to commercial furniture manufacturers and architectural Limited Partnership Interest (B)  | 11.24% int.   | 08/04/06            |
| Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)   | 586 shs.  | 08/04/06            |
| <br>MONESSEN HOLDING CORPORATION   |   |                     |
| A designer and manufacturer of a broad line of gas, wood, and electric hearth products and accessories                                 |   |                     |
| 14% Senior Subordinated Note due 2014  | \$ 1,350,000  | 07/25/08            |
| 14% PIK Note due 2014  | \$ 302,046  | 07/25/08            |
| Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)   | 81 shs.   | 03/31/06            |
| <br>MORTON INDUSTRIAL GROUP, INC.  |   |                     |
| A manufacturer of highly engineered metal fabricated components.   |   |                     |
| 12% Senior Subordinated Note due 2014 (D)  | \$ 1,292,246  | 08/25/06            |
| 30% Convertible Preferred Stock (B)  | 41,289 shs.   | 07/28/08            |

\* 08/12/05 and 09/11/06.

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16

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)  | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|---|---|---------------------|
|   | -----   | -----               |
| <b>NABCO, INC.</b>  |   |                     |
| A producer of explosive containment vessels in the United States.   |   |                     |
| 14% Senior Subordinated Note due 2014   | \$ 431,692  | 02/24/06            |
| Limited Liability Company Unit (B)  | 437 uts.  | *                   |
| Warrant, exercisable until 2016, to purchase<br>common stock at \$.01 per share (B)                                   | 68 shs.   | 02/24/06            |
| <b>NAVIS GLOBAL</b>   |   |                     |
| A designer, manufacturer, seller and servicer of finishing machinery for the knit and woven segments                  |   |                     |
| 12% Senior Secured Term Note Series A due 2010  | \$ 86,677   | 11/14/08            |
| 14% Senior Subordinated Note due 2014 (D)   | \$ 764,921  | 05/28/04            |
| 10.75% Senior Secured Note due 2011 (D)   | \$ 348,118  | 05/28/04            |
| Warrant, exercisable until 2012, to purchase<br>common stock at \$.01 per share (B)                                   | 116,521 shs.  | 05/28/04            |
| <b>NESCO HOLDINGS CORPORATION</b>   |   |                     |
| A sales and leasing company that provides equipment to the electric utility, telecommunications, and other industries |   |                     |
| 12% Senior Secured Subordinated Note due 2015   | \$ 1,125,000  | 08/02/07            |
| Common Stock (B)  | 225,000 shs.  | 08/02/07            |
| Warrant, exercisable until 2015, to purchase<br>common stock at \$.01 per share (B)                                   | 63,191 shs.   | 08/02/07            |
| <b>NETSHAPE TECHNOLOGIES, INC.</b>  |   |                     |
| A manufacturer of powder metal and metal injection molded precision components used in industrial machinery           |   |                     |
| 12% Senior Subordinated Note due 2014   | \$ 810,000  | 02/02/07            |
| Limited Partnership Interest of<br>Saw Mill PCG Partners LLC (B)  | 1.38% int.  | 02/01/07            |
| Limited Liability Company Unit Class D of<br>Saw Mill PCG Partners LLC (B)  | 8 uts.  | 12/18/08            |
| Preferred Stock Class A (B)   | 1 sh.   | 12/18/08            |
| Warrant, exercisable until 2014, to purchase<br>common stock at \$.01 per share (B)                                   | 48 shs.   | 02/02/07            |

\* 02/24/06 and 06/22/07.

## Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-CSRS

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)   | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|--|---|---------------------|
|  | -----   | -----               |
| <br>   |   |                     |
| NYLONCRAFT, INC.   |   |                     |
| A supplier of engineered plastic components for the automotive industry.   |   |                     |
| 9% Senior Secured Note due 2009  | \$ 464,286  | 01/28/02            |
| 11.5% Senior Subordinated Note due 2012 (D)  | \$ 857,143  | 01/28/02            |
| Common Stock (B)   | 178,571 shs.  | 01/28/02            |
| Warrant, exercisable until 2012, to purchase<br>common stock at \$.01 per share (B)  | 138,928 shs.  | 01/28/02            |
| <br>   |   |                     |
| OAKRIVER TECHNOLOGY, INC.  |   |                     |
| Designs, engineers and assembles high precision automated process equipment for the medical device<br>defibrillators and stents. |   |                     |
| 10% Senior Secured Note due 2012   | \$ 192,626  | 01/03/06            |
| 13% Senior Subordinated Note due 2013  | \$ 392,709  | 01/03/06            |
| Common Stock (B)   | 184,176 shs.  | 01/03/06            |
| Warrant, exercisable until 2013, to purchase<br>common stock at \$.01 per share (B)  | 43,073 shs.   | 01/03/06            |
| <br>   |   |                     |
| OLYMPIC SALES, INC.  |   |                     |
| A boat retailer in Washington state, Oregon, California and British Columbia.  |   |                     |
| 12% Senior Subordinated Note due 2009 (D)  | \$ 511,000  | 08/07/98            |
| 12% Senior Subordinated Note due 2009 (D)  | \$ 244,154  | 02/09/00            |
| <br>   |   |                     |
| ONTARIO DRIVE & GEAR LTD.  |   |                     |
| A manufacturer of all-wheel drive, off-road amphibious vehicles and related accessories.<br>Limited Liability Company Unit (B)   |   |                     |
|  | 1,942 uts.  | 01/17/06            |
| Warrant, exercisable until 2013, to purchase<br>common stock at \$.01 per share (B)  | 328 shs.  | 01/17/06            |
| <br>   |   |                     |
| P A S HOLDCO LLC   |   |                     |
| An independent provider of maintenance, repair and overhaul services to the aerospace gas turbine                                |   |                     |
| 14% Senior Subordinated Note due 2014  | \$ 1,218,269  | 07/03/06            |
| Preferred Unit (B)   | 202 uts.  | 07/03/06            |
| Preferred Unit (B)   | 36 uts.   | 07/03/06            |
| Common Unit Class I (B)  | 78 uts.   | 07/03/06            |
| Common Unit Class L (B)  | 17 uts.   | 07/03/06            |

-----  
 18

# Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-CSRS

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)   | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|--|---|---------------------|
|  |   |                     |
| <br>   |   |                     |
| P I I HOLDING CORPORATION  |   |                     |
| A manufacturer of plastic film and bags for the general industrial, medical, and food industries.                          |   |                     |
| 12% Senior Subordinated Note due 2013  | \$ 1,215,000  | 03/31/06            |
| Preferred Stock (B)  | 19 shs.   | 03/31/06            |
| Common Stock (B)   | 12 shs.   | 03/31/06            |
| Warrant, exercisable until 2013, to purchase<br>common stock at \$.01 per share (B)  | 7 shs.  | 03/31/06            |
| <br>   |   |                     |
| PACIFIC CONSOLIDATED HOLDINGS LLC  |   |                     |
| A manufacturer of rugged, mobile liquid and gaseous oxygen and nitrogen generating systems used in<br>and medical sectors. |   |                     |
| 14% Senior Subordinated Note due 2012  | \$ 704,835  | 04/27/07            |
| Limited Liability Company Unit (B)   | 928,962 uts.  | 04/27/07            |
| <br>   |   |                     |
| PARADIGM PACKAGING, INC.   |   |                     |
| A manufacturer of plastic bottles and closures for the nutritional, pharmaceutical, personal care<br>and medical sectors.  |   |                     |
| 12% Senior Subordinated Note due 2011  | \$ 1,125,000  | 12/19/00            |
| Membership Interests of MM/Lincap<br>PPI Investments, Inc., LLC (B)  | 1.28% int.  | 12/21/00            |
| <br>   |   |                     |
| PEARLMAN ENTERPRISES, INC.   |   |                     |
| A developer and distributor of tools, equipment and supplies to the natural and engineered stone<br>and medical sectors.   |   |                     |
| Preferred Stock Series A (B)   | 1,236 shs.  | 05/22/09            |
| Preferred Stock Series B (B)   | 7,059 shs.  | 05/22/09            |
| Common Stock (B)   | 21.462 shs.   | 05/22/09            |
| <br>   |   |                     |
| POSTLE ALUMINUM COMPANY LLC  |   |                     |
| A manufacturer and distributor of aluminum extruded products.  |   |                     |
| 3% Senior Subordinated PIK Note due 2014   | \$ 1,167,870  | 10/02/06            |
| Limited Liability Company Unit Class A   | 733 uts.  | 10/02/06            |
| Limited Liability Company Unit   | 76 uts.   | 05/22/09            |
| Warrant, exercisable until 2016, to purchase<br>common stock at \$.01 per share (B)  | 4,550 shs.  | 10/02/06            |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009

# Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-CSRS

(Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)   | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|--|---|---------------------|
|  |   |                     |
| <br>   |   |                     |
| POWER SERVICES HOLDING COMPANY   |   |                     |
| A provider of industrial motor repair services, predictive and preventative maintenance, and performance services serving the petrochemical, mining, power generation, metals, and paper industries. |   |                     |
| 12% Senior Subordinated Note due 2016  | \$ 1,255,814  | 02/11/08            |
| Limited Partnership Interest (B)   | 12.55% int.   | 02/11/08            |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 700 shs.  | 02/11/08            |
| <br>   |   |                     |
| QUALIS AUTOMOTIVE LLC  |   |                     |
| A distributor of aftermarket automotive brake and chassis products.  |   |                     |
| 12% Senior Subordinated Note due 2012  | \$ 922,612  | 05/28/04            |
| Common Stock (B)   | 187,500 shs.  | 05/28/04            |
| Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)   | 199,969 shs.  | 05/28/04            |
| <br>   |   |                     |
| R A J MANUFACTURING HOLDINGS LLC   |   |                     |
| A designer and manufacturer of women's swimwear sold under a variety of licensed brand names.  |   |                     |
| 12.5% Senior Subordinated Note due 2014  | \$ 1,200,277  | 12/15/06            |
| Limited Liability Company Unit (B)   | 1,497 uts.  | 12/15/06            |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)   | 2 shs.  | 12/15/06            |
| <br>   |   |                     |
| R E I DELAWARE HOLDING, INC.   |   |                     |
| An engineer and manufacturer of highly complex, close tolerance components, assemblies, tooling and equipment primarily for aerospace, medical and defense/radar markets.                            |   |                     |
| 12% Senior Subordinated Note due 2016  | \$ 1,350,000  | 01/18/08            |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)   | 3 shs.  | 01/18/08            |
| <br>   |   |                     |
| RADIAC ABRASIVES, INC.   |   |                     |
| A manufacturer of bonded abrasive and super abrasive grinding wheels in the United States.   |   |                     |
| 12% Senior Subordinated Note due 2014  | \$ 1,196,809  | 02/10/06            |
| Common Stock (B)   | 153,191 shs.  | 02/10/06            |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 69,647 shs.   | 02/10/06            |

20

MassMutual Participation Investors



## Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-CSRS

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)  | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|---|---|---------------------|
|   | -----   | -----               |
| <br>  |   |                     |
| ROYAL BATHS MANUFACTURING COMPANY   |   |                     |
| A manufacturer and distributor of acrylic and cultured marble bathroom products.  |   |                     |
| 12.5% Senior Subordinated Note due 2011   | \$ 562,500  | 11/14/03            |
| Warrant, exercisable until 2011, to purchase<br>common stock at \$.01 per share (B)   | 74 shs.   | 11/14/03            |
| <br>  |   |                     |
| SAFETY SPEED CUT MANUFACTURING COMPANY, INC.  |   |                     |
| A manufacturer of vertical panel saws and routers for the wood working industry.  |   |                     |
| Class B Common Stock (B)  | 846 shs.  | 06/02/99            |
| <br>  |   |                     |
| SAVAGE SPORTS HOLDING, INC.   |   |                     |
| A manufacturer of sporting firearms.  |   |                     |
| 12% Senior Subordinated Note due 2012   | \$ 814,655  | 09/10/04            |
| Common Stock (B)  | 324 shs.  | *                   |
| Warrant, exercisable until 2012, to purchase<br>common stock at \$.01 per share (B)   | 71 shs.   | 09/10/04            |
| <br>  |   |                     |
| SENCORE HOLDING COMPANY   |   |                     |
| A designer, manufacturer, and marketer of decoders, receivers and modulators sold to broadcasters<br>operators for encoding/decoding analog and digital transmission video signals. |   |                     |
| 12.5% Senior Subordinated Note due 2014   | \$ 1,280,769  | 01/15/09            |
| Common Stock (B)  | 69 shs.   | 01/15/09            |
| Warrant, exercisable until 2019, to purchase<br>common stock at \$.01 per share (B)   | 149 shs.  | 01/15/09            |
| <br>  |   |                     |
| SMART SOURCE HOLDINGS LLC   |   |                     |
| A short-term computer rental company.   |   |                     |
| 12% Senior Subordinated Note due 2015   | \$ 1,176,924  | **                  |
| Limited Liability Company Unit (B)  | 328 uts.  | **                  |
| Warrant, exercisable until 2015, to purchase<br>common stock at \$.01 per share (B)   | 83 shs.   | **                  |
| <br>  |   |                     |
| SPECIALTY COMMODITIES, INC.   |   |                     |
| A distributor of specialty food ingredients.  |   |                     |
| 13.25% Senior Subordinated Note due 2016  | \$ 1,201,421  | 10/23/08            |
| Common Stock (B)  | 15,882 shs.   | 10/23/08            |
| Warrant, exercisable until 2018, to purchase<br>common stock at \$.01 per share (B)   | 5,852 shs.  | 10/23/08            |

\* 09/10/04 and 10/05/07.

\*\* 08/31/07 and 03/06/08.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)   | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|--|---|---------------------|
|  | -----   | -----               |
| <br>   |   |                     |
| STANTON CARPET HOLDING CO.   |   |                     |
| A designer and marketer of high and mid-priced decorative carpets and rugs.                                |   |                     |
| 12.13% Senior Subordinated Note due 2014   | \$ 1,185,366  | 08/01/06            |
| Common Stock (B)   | 165 shs.  | 08/01/06            |
| Warrant, exercisable until 2014, to purchase<br>common stock at \$.02 per share (B)                        | 55 shs.   | 08/01/06            |
| <br>   |   |                     |
| SYNTERACT HOLDINGS CORPORATION   |   |                     |
| A provider of outsourced clinical trial management services to pharmaceutical and biotechnology companies. |   |                     |
| 14% Senior Subordinated Note due 2016  | \$ 1,361,321  | 09/02/08            |
| Redeemable Preferred Stock Series A (B)  | 678 shs.  | 09/02/08            |
| Warrant, exercisable until 2018, to purchase<br>common stock at \$.01 per share (B)                        | 6,778 shs.  | 09/02/08            |
| <br>   |   |                     |
| T H I ACQUISITION, INC.  |   |                     |
| A machine servicing company providing value-added steel services to long steel products.                   |   |                     |
| 12% Senior Subordinated Note due 2016  | \$ 1,350,000  | 01/14/08            |
| Warrant, exercisable until 2016, to purchase<br>common stock at \$.01 per share (B)                        | 5 shs.  | 01/14/08            |
| <br>   |   |                     |
| TANGENT RAIL CORPORATION   |   |                     |
| A manufacturer of rail ties and provider of specialty services to the North American railroad industry.    |   |                     |
| 13% Senior Subordinated Note due 2015  | \$ 1,173,909  | 10/14/05            |
| Common Stock (B)   | 1,167 shs.  | 10/14/05            |
| Warrant, exercisable until 2015, to purchase<br>common stock at \$.01 per share (B)                        | 631 shs.  | 09/30/08            |
| <br>   |   |                     |
| TELECORPS HOLDINGS, INC.   |   |                     |
| A provider of equipment and services to producers of the television shows and motion pictures.             |   |                     |
| 12.75% Senior Subordinated Note due 2016   | \$ 1,350,000  | 05/20/09            |
| Warrant, exercisable until 2019, to purchase<br>common stock at \$.01 per share (B)                        | 3,177 shs.  | 05/20/09            |

# Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-CSRS

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

|   | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|---|---|---------------------|
|   |   |                     |
| CORPORATE RESTRICTED SECURITIES: (A) (Continued)  |   |                     |
| TERRA RENEWAL LLC   |   |                     |
| A provider of wastewater residual management and required environmental reporting, permitting, nu |   |                     |
| record keeping to companies involved in poultry and food processing.                              |   |                     |
| 12% Senior Subordinated Note due 2014   | \$ 664,062  | *                   |
| 6.75% Term Note due 2012  | \$ 862,683  | *                   |
| Limited Partnership Interest of   |   |                     |
| Saw Mill Capital Fund V, LLC (B)  | 2.27% int.  | **                  |
| Warrant, exercisable until 2016, to purchase  |   |                     |
| common stock at \$.01 per share (B)   | 41 shs.   | 04/28/06            |
|   |   |                     |
| TORRENT GROUP HOLDINGS, INC.  |   |                     |
| A contractor specializing in the sales and installation of engineered drywells for the retention  |   |                     |
| nuisance water flow.  |   |                     |
| 12.5% Senior Subordinated Note due 2013   | \$ 1,185,366  | 10/26/07            |
| Series A Preferred Stock (B)  | 219 shs.  | 10/26/07            |
|   |   |                     |
| TOTAL E & S, INC.   |   |                     |
| A manufacturer of a wide variety of equipment used in the oil and gas industry.                   |   |                     |
| 10.5% Senior Secured Term Note due 2013   | \$ 486,487  | 03/02/07            |
| 13% Senior Subordinated Note due 2014   | \$ 341,971  | 03/02/07            |
| Common Stock (B)  | 71,542 shs.   | 03/02/07            |
| Warrant, exercisable until 2014 to purchase   |   |                     |
| common stock at \$.01 per share (B)   | 19,733 shs.   | 03/02/07            |
|   |   |                     |
| TRANSPAC HOLDING COMPANY  |   |                     |
| A designer, importer, and wholesaler of home decor and seasonal gift products.                    |   |                     |
| 12% Senior Subordinated Note due 2015   | \$ 938,651  | 10/31/07            |
| Common Stock (B)  | 110 shs.  | 10/31/07            |
| Warrant, exercisable until 2015, to purchase  |   |                     |
| common stock at \$.01 per share (B)   | 50 shs.   | 10/31/07            |
|   |   |                     |
| TRANSTAR HOLDING COMPANY  |   |                     |
| A distributor of aftermarket automotive transmission parts.                                       |   |                     |
| 12% Senior Subordinated Note due 2014   | \$ 918,000  | 08/31/05            |
| Common Stock (B)  | 571 shs.  | ***                 |
| Warrant, exercisable until 2013, to purchase  |   |                     |
| common stock at \$.02 per share (B)   | 46 shs.   | 08/31/05            |

\* 04/28/06 and 09/13/06.

\*\* 03/01/05 and 10/10/08.

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\*\*\* 08/31/05 and 04/30/07.

## MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)  | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|---|---|---------------------|
|   |   |                     |
| <br>  |   |                     |
| <b>TRANZONIC COMPANIES (THE)</b>  |   |                     |
| A producer of commercial and industrial supplies, such as safety products, janitorial supplies, w |   |                     |
| supplies and sanitary care products.  |   |                     |
| 13% Senior Subordinated Note due 2010   | \$ 1,356,000  | 02/05/98            |
| Common Stock (B)  | 315 shs.  | 02/04/98            |
| Warrant, exercisable until 2009, to purchase  |   |                     |
| common stock at \$.01 per share (B)   | 222 shs.  | 02/05/98            |
| <br>  |   |                     |
| <b>TRUCK BODIES &amp; EQUIPMENT INTERNATIONAL</b>   |   |                     |
| A designer and manufacturer of accessories for heavy and medium duty trucks, primarily dump bodie |   |                     |
| bodies, landscape bodies and other accessories.   |   |                     |
| 16% Senior Subordinated Note due 2010 (D)   | \$ 1,222,698  | *                   |
| 16% PIK Note due 2010   | \$ 278,492  | 12/30/08            |
| Preferred Stock Series B (B)  | 128 shs.  | 10/20/08            |
| Common Stock (B)  | 393 shs.  | *                   |
| Warrant, exercisable until 2013, to purchase  |   |                     |
| common stock at \$.02 per share (B)   | 81 shs.   | *                   |
| Warrant, exercisable until 2018, to purchase  |   |                     |
| common stock at \$.01 per share (B)   | 558 shs.  | 10/20/08            |
| <br>  |   |                     |
| <b>TRUSTILE DOORS, INC.</b>   |   |                     |
| A manufacturer and distributor of interior doors.   |   |                     |
| Warrant, exercisable until 2010, to purchase  |   |                     |
| common stock at \$.01 per share (B)   | 3,060 shs.  | 04/11/03            |
| <br>  |   |                     |
| <b>U M A ENTERPRISES, INC.</b>  |   |                     |
| An importer and wholesaler of home decor products.  |   |                     |
| 15% Senior Subordinated Note due 2015   | \$ 917,987  | 02/08/08            |
| Convertible Preferred Stock (B)   | 470 shs.  | 02/08/08            |
| <br>  |   |                     |
| <b>U-LINE CORPORATION</b>   |   |                     |
| A manufacturer of high-end, built-in, undercounter ice making, wine storage and refrigeration app |   |                     |
| 12.5% Senior Subordinated Note due 2012   | \$ 996,500  | 04/30/04            |
| Common Stock (B)  | 96 shs.   | 04/30/04            |
| Warrant, exercisable until 2012, to purchase  |   |                     |
| common stock at \$.01 per share (B)   | 122 shs.  | 04/30/04            |

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\* 07/19/05 and 12/22/05.

24

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)                                      | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|---|---|---------------------|
|   | -----   | -----               |
| <b>VISIONEERING, INC.</b>   |   |                     |
| A designer and manufacturer of tooling and fixtures for the aerospace industry.       |   |                     |
| 10.5% Senior Secured Term Loan due 2013   | \$ 458,824  | 05/17/07            |
| 13% Senior Subordinated Note due 2014   | \$ 370,588  | 05/17/07            |
| 18% PIK Convertible Preferred Stock (B)   | 21,361 shs.   | 03/13/09            |
| Common Stock (B)  | 70,588 shs.   | 05/17/07            |
| Warrant, exercisable until 2014, to purchase<br>common stock at \$.01 per share (B)   | 20,003 shs.   | 05/17/07            |
| <b>VITALITY FOODSERVICE, INC.</b>   |   |                     |
| A non-carbonated beverage dispensing company focused on the foodservice industry.     |   |                     |
| 13% Senior Subordinated Note due 2011   | \$ 999,153  | 09/24/04            |
| Common Stock (B)  | 14,006 shs.   | *                   |
| Warrant, exercisable until 2011, to purchase<br>common stock at \$.01 per share (B)   | 12,593 shs.   | 09/24/04            |
| <b>VITEX PACKAGING GROUP, INC.</b>  |   |                     |
| A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags. |   |                     |
| 12.5% Senior Subordinated Note due 2012 (D)   | \$ 900,000  | 07/19/04            |
| 14.5% PIK Note due 2010   | \$ 215,976  | 06/30/07            |
| Limited Liability Company Unit Class A (B)  | 219,375 uts.  | 07/19/04            |
| Limited Liability Company Unit Class B (B)  | 96,848 uts.   | 07/19/04            |
| <b>WAGGIN' TRAIN HOLDINGS LLC</b>   |   |                     |
| A producer of premium quality meat dog treats.  |   |                     |
| 14% Senior Subordinated Note due 2014   | \$ 1,163,421  | 11/15/07            |
| Limited Liability Company Unit Class B (B)  | 224 uts.  | 11/15/07            |
| Limited Liability Company Unit Class C (B)  | 224 uts.  | 11/15/07            |
| <b>WALLS INDUSTRIES, INC.</b>   |   |                     |
| A provider of branded workwear and sporting goods apparel.                            |   |                     |
| Limited Partnership Interest (B)  | 0.20% int.  | 07/12/04            |
| Common Stock (B)  | 2,133 shs.  | 12/21/07            |

\* 09/24/04 and 12/22/06.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued)  | PRINCIPAL AMOUNT,<br>SHARES, UNITS,<br>OR OWNERSHIP<br>PERCENTAGE | ACQUISITION<br>DATE |
|---|---|---------------------|
|   | -----   | -----               |
| WELLBORN FOREST HOLDING CO.   |   |                     |
| A manufacturer of semi-custom kitchen and bath cabinetry.   |   |                     |
| 12.13% Senior Subordinated Note due 2014  | \$ 911,250  | 11/30/06            |
| Common Stock (B)  | 101 shs.  | 11/30/06            |
| Warrant, exercisable until 2014, to purchase<br>common stock at \$.01 per share (B)                 | 51 shs.   | 11/30/06            |
|   |   |                     |
| WORKPLACE MEDIA HOLDING CO.   |   |                     |
| A direct marketer specializing in providing advertisers with access to consumers in the workplace   |   |                     |
| 13% Senior Subordinated Note due 2015   | \$ 613,692  | 05/14/07            |
| Limited Partnership Interest (B)  | 12.26% int.   | 05/14/07            |
| Warrant, exercisable until 2015, to purchase<br>common stock at \$.02 per share (B)                 | 47 shs.   | 05/14/07            |
|   |   |                     |
| XALOY SUPERIOR HOLDINGS, INC.   |   |                     |
| A provider of melt processing components and ancillary equipment for both plastic injection molding |   |                     |
| 15% Senior Subordinated Note due 2015   | \$ 1,229,741  | 09/08/08            |
| Common Stock (B)  | 150 shs.  | 09/08/08            |
|   |   |                     |
| TOTAL PRIVATE PLACEMENT INVESTMENTS (E)   |   |                     |

26

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| CORPORATE RESTRICTED SECURITIES: (A) (Continued) | INTEREST<br>RATE | DUE<br>DATE | SHARES OR<br>PRINCIPAL<br>AMOUNT |
|--|------------------|-------------|----------------------------------|
|  | -----            | -----       | -----                            |
| RULE 144A SECURITIES - 3.71%:                    |                  |             |                                  |

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|   |        |          |    |         |
|---|--------|----------|----|---------|
| BONDS - 3.71%                             |        |          |    |         |
| Allegheny Energy Supply                   | 8.250% | 04/15/12 | \$ | 500,000 |
| Anheuser-Busch Inbev Wld, Inc.            | 7.720  | 01/15/19 |    | 500,000 |
| Cenveo Corporation                        | 10.500 | 08/15/16 |    | 45,000  |
| Compucom Systems, Inc.                    | 12.500 | 10/01/15 |    | 670,000 |
| Douglas Dynamics LLC                      | 7.750  | 01/15/12 |    | 485,000 |
| G F S I, Inc. (C)                         | 10.500 | 06/01/11 |    | 358,000 |
| H C A, Inc.                               | 9.875  | 02/15/17 |    | 15,000  |
| MGM Mirage, Inc.                          | 10.375 | 05/15/14 |    | 30,000  |
| MGM Mirage, Inc.                          | 11.125 | 11/15/17 |    | 50,000  |
| Markwest Energy Operating Co.             | 6.875  | 11/01/14 |    | 35,000  |
| Packaging Dynamics Corporation of America | 10.000 | 05/01/16 |    | 975,000 |
| Sealed Air Corporation                    | 7.875  | 06/15/17 |    | 500,000 |
| Speedway Motorsports, Inc.                | 8.750  | 06/01/16 |    | 35,000  |
| Teck Cominco, Ltd.                        | 9.750  | 05/15/14 |    | 30,000  |
| Teck Cominco, Ltd.                        | 10.250 | 05/15/16 |    | 40,000  |
| Teck Cominco, Ltd.                        | 10.750 | 05/15/19 |    | 25,000  |
| Ticketmaster Entertainment, Inc.          | 10.750 | 08/01/16 |    | 250,000 |
| Tunica-Biloxi Gaming Authority            | 9.000  | 11/15/15 |    | 540,000 |

TOTAL BONDS

|                                     |  |  |  |     |
|-------------------------------------|--|--|--|-----|
| CONVERTIBLE PREFERRED STOCK - 0.00% |  |  |  |     |
| ETEX Corporation (B)                |  |  |  | 194 |

TOTAL CONVERTIBLE PREFERRED STOCK

|                         |  |  |  |    |
|-------------------------|--|--|--|----|
| PREFERRED STOCK - 0.00% |  |  |  |    |
| TherOX, Inc. (B)        |  |  |  | 26 |

TOTAL PREFERRED STOCK

|                                   |  |  |  |     |
|-----------------------------------|--|--|--|-----|
| COMMON STOCK - 0.00%              |  |  |  |     |
| Touchstone Health Partnership (B) |  |  |  | 292 |

TOTAL COMMON STOCK

TOTAL RULE 144A SECURITIES

TOTAL CORPORATE RESTRICTED SECURITIES

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

|   |                  |             |                     |
|---|------------------|-------------|---------------------|
| CORPORATE PUBLIC SECURITIES - 14.57%: (A) | INTEREST<br>RATE | DUE<br>DATE | PRINCIPAL<br>AMOUNT |
|   | -----            | -----       | -----               |

BONDS - 13.70%

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|   |        |          |    |         |
|---|--------|----------|----|---------|
| Allegheny Technologies, Inc.            | 9.375% | 06/01/19 | \$ | 500,000 |
| Allied Waste NA                         | 7.125  | 05/15/16 |    | 500,000 |
| Appleton Papers, Inc.                   | 8.125  | 06/15/11 |    | 250,000 |
| Aramark Corporation (C)                 | 4.528  | 02/01/15 |    | 100,000 |
| Bunge Limited Finance Corporation       | 8.500  | 06/15/19 |    | 500,000 |
| C R H America, Inc.                     | 5.300  | 10/15/13 |    | 500,000 |
| C V S Caremark Corporation              | 5.750  | 06/01/17 |    | 500,000 |
| Citigroup, Inc.                         | 5.500  | 04/11/13 |    | 500,000 |
| Comcast Corporation                     | 6.500  | 01/15/15 |    | 500,000 |
| Corrections Corporation of America      | 7.750  | 06/01/17 |    | 75,000  |
| Cytec Industries, Inc.                  | 8.950  | 07/01/17 |    | 600,000 |
| Denbury Resources, Inc.                 | 9.750  | 03/01/16 |    | 25,000  |
| El Paso Corporation                     | 12.000 | 12/12/13 |    | 25,000  |
| Electronic Data Systems Corporation     | 7.125  | 10/15/09 |    | 500,000 |
| Gencorp, Inc.                           | 9.500  | 08/15/13 |    | 130,000 |
| Goldman Sachs Group, Inc.               | 4.750  | 07/15/13 |    | 500,000 |
| Goodyear Tire & Rubber Co.              | 10.500 | 05/15/16 |    | 50,000  |
| Inergy LP/Inergy Fin                    | 8.250  | 03/01/16 |    | 75,000  |
| Intelsat Bermuda Ltd.                   | 9.250  | 06/15/16 |    | 690,000 |
| International Game Technology           | 7.500  | 06/15/19 |    | 500,000 |
| Iron Mountain, Inc.                     | 8.750  | 07/15/18 |    | 500,000 |
| Johnson Controls, Inc.                  | 5.500  | 01/15/16 |    | 500,000 |
| Lubrizol Corporation                    | 8.875  | 02/01/19 |    | 500,000 |
| Manitowoc Company, Inc.                 | 7.125  | 11/01/13 |    | 100,000 |
| Mediacom LLC/Mediacom Capital           | 9.500  | 01/15/13 |    | 750,000 |
| N R G Energy, Inc.                      | 8.500  | 06/15/19 |    | 100,000 |
| Nortek, Inc.                            | 10.000 | 12/01/13 |    | 100,000 |
| O E D Corp/Diamond Jo Company Guarantee | 8.750  | 04/15/12 |    | 500,000 |
| Owens Corning, Inc.                     | 9.000  | 06/15/19 |    | 30,000  |
| Pliant Corporation (C)                  | 11.850 | 07/15/09 |    | 857,441 |
| Quicksilver Resources, Inc.             | 7.125  | 04/01/16 |    | 350,000 |
| Rental Service Corporation              | 9.500  | 12/01/14 |    | 175,000 |
| Sheridan Acquisition Corporation        | 10.250 | 08/15/11 |    | 225,000 |
| Stewart & Stevenson LLC                 | 10.000 | 07/15/14 |    | 735,000 |
| Texas Industries, Inc.                  | 7.250  | 07/15/13 |    | 35,000  |
| The Valspar Corporation                 | 7.250  | 06/15/19 |    | 500,000 |

28

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)

| CORPORATE PUBLIC SECURITIES: (A) (Continued) | INTEREST<br>RATE | DUE<br>DATE | SHARES OR<br>PRINCIPAL<br>AMOUNT |
|--|------------------|-------------|----------------------------------|
|  | -----            | -----       | -----                            |
| Titan International, Inc.                    | 8.000%           | 01/15/12    | \$ 70,000                        |
| Tube City IMS Corporation                    | 9.750            | 02/01/15    | 1,000,000                        |
| Tyco International Group SA                  | 8.500            | 01/15/19    | 125,000                          |
| Tyco International Group SA                  | 6.000            | 11/15/13    | 625,000                          |
| Tyco International Group SA                  | 6.550            | 10/01/17    | 500,000                          |
| United Components, Inc.                      | 9.375            | 06/15/13    | 535,000                          |
| United Rentals, Inc.                         | 6.500            | 02/15/12    | 325,000                          |
| Vought Aircraft Industries                   | 8.000            | 07/15/11    | 650,000                          |



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TOTAL BONDS

COMMON STOCK - 0.45%

|                                |  |  |  |         |
|--------------------------------|--|--|--|---------|
| CKX, Inc. (B)                  |  |  |  | 52,500  |
| Directed Electronics, Inc. (B) |  |  |  | 195,118 |
| ITC^DeltaCom, Inc. (B)         |  |  |  | 94,588  |
| Intrepid Potash, Inc. (B)      |  |  |  | 185     |

TOTAL COMMON STOCK

CONVERTIBLE BONDS - 0.42%

|                                  |        |          |    |         |
|----------------------------------|--------|----------|----|---------|
| Citadel Broadcasting Corporation | 4.000% | 02/15/11 | \$ | 250,000 |
| Transocean, Inc.                 | 1.500  | 12/15/37 |    | 500,000 |

TOTAL CONVERTIBLE BONDS

TOTAL CORPORATE PUBLIC SECURITIES

-----  
 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| SHORT-TERM SECURITIES:      | INTEREST<br>RATE/YIELD <sup>^</sup> | DUE<br>DATE | PRINCIPAL<br>AMOUNT |
|-----------------------------|-------------------------------------|-------------|---------------------|
|                             | -----                               | -----       | -----               |
| COMMERCIAL PAPER - 3.92%    |                                     |             |                     |
| Autozone, Inc.              | 0.600%                              | 07/01/09    | \$ 2,110,000        |
| Avery Dennison Corporation  | 0.600                               | 07/01/09    | 2,200,000           |
| TOTAL SHORT-TERM SECURITIES |                                     |             |                     |
| TOTAL INVESTMENTS           | 108.71%                             |             |                     |
| Other Assets                | 4.07                                |             |                     |
| Liabilities                 | (12.78)                             |             |                     |
| TOTAL NET ASSETS            | 100.00%                             |             |                     |
|                             | =====                               |             |                     |

- (A) In each of the convertible note, warrant, convertible preferred, and common stock investments certain registration rights.
- (B) Non-income producing security.
- (C) Variable rate security; rate indicated is as of 06/30/09.
- (D) Defaulted security; interest not accrued.
- (E) Illiquid security. At June 30, 2009, the values of these securities amounted to \$95,045,313 o

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^ Effective yield at purchase  
 PIK - Payment-in-kind

30

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| Industry Classification                  | Fair Value/<br>Market Value |
|--|-----------------------------|
| <b>AEROSPACE - 2.84%</b>                 |                             |
| Gencorp, Inc.                            | \$ 96,200                   |
| P A S Holdco LLC                         | 1,641,076                   |
| Visioneering, Inc.                       | 973,952                     |
| Vought Aircraft Industries               | 406,250                     |
|  | 3,117,478                   |
| <b>AUTOMOBILE - 4.00%</b>                |                             |
| Goodyear Tire & Rubber Co.               | 50,500                      |
| Jason, Inc.                              | 306,112                     |
| Johnson Controls, Inc.                   | 463,630                     |
| Nyloncraft, Inc.                         | 348,215                     |
| Ontario Drive & Gear Ltd.                | 600,323                     |
| Qualis Automotive LLC                    | 917,986                     |
| Titan International, Inc.                | 63,350                      |
| Transtar Holding Company                 | 1,309,250                   |
| United Components, Inc.                  | 339,725                     |
|  | 4,399,091                   |
| <b>BEVERAGE, DRUG &amp; FOOD - 4.90%</b> |                             |
| Anheuser-Busch                           | 546,828                     |
| Aramark Corporation                      | 81,250                      |
| Golden County Foods Holding, Inc.        | 902,400                     |
| Hospitality Mints Holding Company        | 1,270,808                   |
| Specialty Commodities, Inc.              | 1,384,398                   |
| Vitality Foodservice, Inc.               | 1,203,139                   |
|  |                             |

|  |           |
|--|-----------|
| <b>BUILDINGS &amp; REAL ESTATE - 1.14%</b>       |           |
| K W P I Holdings Corporation                     | 1,000,000 |
| Owens Corning, Inc.                              | 1,000,000 |
| Texas Industries, Inc.                           | 1,000,000 |
| TruStile Doors, Inc.                             | 1,000,000 |
| <b>CHEMICAL, PLASTICS &amp; RUBBER - 1.14%</b>   |           |
| Capital Specialty Plastics, Inc.                 | 1,000,000 |
| <b>CONSUMER PRODUCTS - 7.72%</b>                 |           |
| Aero Holdings, Inc.                              | 1,000,000 |
| Bravo Sports Holding Corporation                 | 1,000,000 |
| G F S I, Inc.                                    | 1,000,000 |
| K N B Holdings Corporation                       | 1,000,000 |
| Momentum Holding Co.                             | 1,000,000 |
| R A J Manufacturing Holding Company              | 1,000,000 |
| Royal Baths Manufacturing Company                | 1,000,000 |
| The Tranzonic Companies                          | 1,000,000 |
| Walls Industries, Inc.                           | 1,000,000 |
| <b>CONTAINERS, PACKAGING &amp; GLASS - 1.14%</b> |           |
| Flutes, Inc.                                     | 1,000,000 |
| Maverick Acquisition Company                     | 1,000,000 |
| P I I Holding Corporation                        | 1,000,000 |
| Packaging Dynamics Corporation                   | 1,000,000 |

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|                                      |           |                             |
|--------------------------------------|-----------|-----------------------------|
|                                      | 5,388,823 |                             |
|                                      | -----     |                             |
| BROADCASTING & ENTERTAINMENT - 2.02% |           | Paradigm Packaging, Inc.    |
| Citadel Broadcasting Corporation     | 16,250    | Pliant Corporation          |
| CKX, Inc.                            | 372,225   | Sealed Air Corporation      |
| Comcast Corporation                  | 530,343   | Vitex Packaging Group, Inc. |
| Mediacom Broadband LLC               | 714,375   |                             |
| Speedway Motorsports, Inc.           | 35,438    | DISTRIBUTION - 2.02%        |
| Workplace Media Holding Co.          | 548,807   | Duncan Systems, Inc.        |
|                                      | -----     | FCX Holdings Corporation    |
|                                      | 2,217,438 |                             |
|                                      | -----     |                             |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 2009  
(Unaudited)

| Industry Classification                            | Fair Value/<br>Market Value |   |
|--|-----------------------------|---|
| -----  | -----                       | -----   |
| DIVERSIFIED/CONGLOMERATE,<br>MANUFACTURING - 9.37% |                             | FARMING & AGRICULTURE - 1.8%                              |
| A H C Holdings Company, Inc.                       | \$ 1,394,058                | Bunge Limited Finance Corpo                               |
| Arrow Tru-Line Holdings, Inc.                      | 732,447                     | Waggin' Train Holdings LLC                                |
| C D N T, Inc.                                      | 775,757                     |   |
| Douglas Dynamics LLC                               | 378,300                     | FINANCIAL SERVICES - 0.88%                                |
| K P I Holdings, Inc.                               | 916,859                     | Citigroup, Inc.   |
| MEGTEC Holdings, Inc.                              | 1,320,903                   | Goldman Sachs Group, Inc.                                 |
| Milwaukee Gear Company                             | 1,369,209                   | Highgate Capital LLC                                      |
| Nortek, Inc.                                       | 80,250                      |   |
| Postle Aluminum Company LLC                        | 328,016                     | HEALTHCARE, EDUCATION & CHI                               |
| Radiac Abrasives, Inc.                             | 1,522,568                   | A T I Acquisition Company                                 |
| Truck Bodies & Equipment International             | 375,297                     | American Hospice Management                               |
| Xaloy Superior Holdings, Inc.                      | 1,099,451                   | F H S Holdings LLC  |
|  | -----                       | HCA, Inc.   |
|  | 10,293,115                  | Synteract Holdings Corporat                               |
|  | -----                       | Touchstone Health Partnersh                               |
| DIVERSIFIED/CONGLOMERATE, SERVICE - 11.08%         |                             |   |
| A W X Holdings Corporation                         | 779,380                     | HOME & OFFICE FURNISHINGS,<br>AND DURABLE CONSUMER PRODUC |
| Advanced Technologies Holdings                     | 1,397,806                   | Avery Dennison Corporation                                |
| Apex Analytix Holding Corporation                  | 1,042,898                   | Connor Sport Court Internat                               |
| C R H America, Inc.                                | 465,685                     | H M Holding Company                                       |
| Clough, Harbour and Associates                     | 1,447,967                   | Home Decor Holding Company                                |
| Corrections Corporation of America                 | 73,875                      | Justrite Manufacturing Acqui                              |
| Crane Rental Corporation                           | 1,368,270                   | K H O F Holdings, Inc.                                    |
| Diversco, Inc./DHI Holdings, Inc.                  | 659,713                     | Monessen Holding Corporatio                               |
| Dwyer Group, Inc.                                  | 813,456                     | Stanton Carpet Holding Co.                                |
| Fowler Holding, Inc.                               | --                          | Transpac Holdings Company                                 |
| Insurance Claims Management, Inc.                  | 75,742                      | U M A Enterprises, Inc.                                   |
| Iron Mountain, Inc.                                | 492,500                     | U-Line Corporation  |
| Mail Communications Group, Inc.                    | 718,176                     |   |
| Nesco Holdings Corporation                         | 1,612,931                   |   |
| Pearlman Enterprises, Inc.                         | --                          |   |
| Tyco International Group                           | 1,228,053                   |   |
|  | -----                       |   |
|  | 12,176,452                  |   |

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|                                     |           |                                   |
|-------------------------------------|-----------|-----------------------------------|
| ELECTRONICS - 1.41%                 | -----     | Wellborn Forest Holding Co.       |
| Connecticut Electric, Inc.          | 1,013,910 |                                   |
| Directed Electronics, Inc.          | 21,462    |                                   |
| Electronic Data Systems Corporation | 509,260   | LEISURE, AMUSEMENT, ENTERTAINMENT |
|                                     | -----     | International Game Technology     |
|                                     | 1,544,632 | MGM Mirage, Inc.                  |
|                                     | -----     | O E D Corp/Diamond Jo Company     |
|                                     |           | Savage Sports Holding, Inc.       |
|                                     |           | Ticketmaster Entertainment, Inc.  |
|                                     |           | Tunica-Biloxi Gaming Authority    |

32

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| Industry Classification                           | Fair Value/<br>Market Value |                                  |
|---|-----------------------------|----------------------------------|
| -----   | -----                       | -----                            |
| MACHINERY - 10.10%                                |                             | NATURAL RESOURCES - 1.72%        |
| A S A P Industries LLC                            | \$ 689,309                  | Appleton Papers, Inc.            |
| Davis-Standard LLC                                | 1,704,559                   | Cenveo Corporation               |
| E S P Holdco, Inc.                                | 1,224,569                   | Cytec Industries, Inc.           |
| Integration Technology Systems, Inc.              | --                          | Intrepid Potash, Inc.            |
| K-Tek Holdings Corporation                        | 1,466,729                   | Lubrizol Corporation             |
| M V I Holding, Inc.                               | 693,951                     | The Valspar Corporation          |
| Manitowoc Company, Inc.                           | 73,875                      |                                  |
| Morton Industrial Group, Inc.                     | --                          |                                  |
| Navis Global                                      | 173,737                     |                                  |
| NetShape Technologies, Inc.                       | 674,842                     | OIL & GAS - 1.33%                |
| Pacific Consolidated Holdings LLC                 | 672,976                     | Denbury Resources, Inc.          |
| Power Services Holding Company                    | 1,448,781                   | Quicksilver Resources, Inc.      |
| R E I Delaware Holding, Inc.                      | 1,341,010                   | Transocean, Inc.                 |
| Safety Speed Cut Manufacturing Company, Inc.      | 316,185                     | Total E & S, Inc.                |
| Stewart & Stevenson LLC                           | 617,400                     |                                  |
|   | -----                       |                                  |
|   | 11,097,923                  | PHARMACEUTICALS - 1.31%          |
|   | -----                       | CorePharma LLC                   |
| MEDICAL DEVICES/BIOTECH - 3.88%                   |                             | PUBLISHING/PRINTING - 0.12%      |
| Coeur, Inc.                                       | 690,549                     | Sheridan Acquisition Corporation |
| E X C Acquisition Corporation                     | 165,802                     |                                  |
| ETEX Corporation                                  | --                          | RETAIL STORES - 2.93%            |
| MedSystems Holdings LLC                           | 689,002                     | Ahold Finance USA, Inc.          |
| MicroGroup, Inc.                                  | 2,020,907                   | Autozone, Inc.                   |
| OakRiver Technology, Inc.                         | 701,637                     | CVS Caremark Corporation         |
| TherOX, Inc.                                      | --                          | Olympic Sales, Inc.              |
|   | -----                       | Rental Service Corporation       |
|   | 4,267,897                   | United Rentals, Inc.             |
|   | -----                       |                                  |
| MINING, STEEL, IRON & NON PRECIOUS METALS - 2.39% |                             |                                  |
| Allegheny Technology, Inc.                        | 529,853                     |                                  |

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|                           |           |                             |
|---------------------------|-----------|-----------------------------|
| T H I Acquisition, Inc.   | 1,387,733 |                             |
| Teck Cominco, Ltd.        | 100,525   | TECHNOLOGY - 3.24%          |
| Tube City IMS Corporation | 612,500   | Compucom Systems, Inc.      |
|                           | -----     | Sencore Holding Company     |
|                           | 2,630,611 | Smart Source Holdings LLC   |
|                           | -----     |                             |
|                           |           | TELECOMMUNICATIONS - 2.52%  |
|                           |           | All Current Holding Company |
|                           |           | Intelsat Bermuda Ltd.       |
|                           |           | ITC^DeltaCom, Inc.          |
|                           |           | Telecorps Holdings, Inc.    |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 June 30, 2009  
 (Unaudited)

| Industry Classification       | Fair Value/<br>Market Value |                             |
|-------------------------------|-----------------------------|-----------------------------|
| -----                         |                             |                             |
| TRANSPORTATION - 1.81%        |                             | WASTE MANAGEMENT / POLLUTIO |
| NABCO, Inc.                   | \$ 215,846                  | Allied Waste NA             |
| Tangent Rail Corporation      | 1,777,894                   | Terra Renewal LLC           |
|                               | -----                       | Torrent Group Holdings, Inc |
|                               | 1,993,740                   |                             |
|                               | -----                       |                             |
| UTILITIES - 0.68%             |                             | TOTAL INVESTMENTS - 108.71% |
| Allegheny Energy Supply       | 520,246                     |                             |
| El Paso Corporation           | 27,125                      |                             |
| Inergy LP                     | 71,438                      |                             |
| Markwest Energy Operating Co. | 29,050                      |                             |
| N R G Energy, Inc.            | 96,500                      |                             |
|                               | -----                       |                             |
|                               | 744,359                     |                             |
|                               | -----                       |                             |

See Notes to Consolidated Financial Statements

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### 1. HISTORY

MassMutual Participation Investors (the "Trust") was organized as a Massachusetts business trust under the laws of the Commonwealth of Massachusetts pursuant to a Declaration of Trust dated April 7, 1988.

The Trust is a diversified closed-end management investment company. Babson Capital Management LLC ("Babson Capital"), a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"), acts as its investment adviser. The Trust's investment objective is to maximize total return by providing a high level of current income, the potential for growth of income, and capital appreciation. The Trust's principal investments are privately placed, below-investment grade, long-term debt obligations purchased directly from their issuers, which tend to be smaller companies. At least half of these investments normally include equity features such as common stock, warrants, conversion rights, or other equity features that provide the Trust with the opportunity to realize capital gains. The Trust will also invest in publicly traded debt securities (including high yield securities), again with an emphasis on those with equity features, and in convertible preferred stocks and, subject to certain limitations, readily marketable equity securities. Below-investment grade or high yield securities have predominantly speculative characteristics with respect to the capacity of the issuer to pay interest and repay capital. In addition, the Trust may temporarily invest in high quality, readily marketable securities.

On January 27, 1998, the Board of Trustees authorized the formation of a wholly-owned subsidiary of the Trust ("MMPI Subsidiary Trust") for the purpose of holding certain investments. The results of the MMPI Subsidiary Trust are consolidated in the accompanying financial statements. Footnote 2.D below discusses the federal tax consequences of the MMPI Subsidiary Trust.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed consistently by the Trust in the preparation of its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America.

#### A . VALUATION OF INVESTMENTS:

Valuation of a security in the Trust's portfolio is made on the basis of the market price whenever market quotations are readily available and all securities of the same class held by the Trust can be readily sold in such market.

Nearly all securities which are acquired by the Trust directly from the issuers and shares into which such securities may be converted or which may be purchased on the exercise of warrants attached to such securities will be subject to legal or contractual delays in, or restrictions on, resale and will therefore be "restricted securities." Generally speaking, as contrasted with open-market sales of unrestricted securities, which may be effected immediately if the market is adequate, restricted securities can be sold only in a public offering for which a registration statement is in effect under the Securities Act of 1933, as amended (the "1933 Act") or pursuant to a transaction that is exempt from registration under the 1933 Act.

The value of restricted securities, and of any other assets for which there

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are no reliable market quotations, is the fair value as determined in good faith by the Trust's Board of Trustees (the "Trustees"). Each restricted security is valued by the Trustees at the time of its acquisition and at least quarterly thereafter. The Trustees have established guidelines to aid in the valuation of each security. Generally, restricted securities are initially valued at cost or less at the time of acquisition by the Trust. Values greater or less than cost are used thereafter for restricted securities in appropriate circumstances. Among the factors ordinarily considered are the existence of restrictions upon the sale of a security held by the Trust; an estimate of the existence and the extent of a market for the security; the extent of any discount at which the security was acquired; the estimated period of time during which the security will not be freely marketable; the estimated expenses of registering or otherwise qualifying the security for public sale; estimated underwriting commissions if underwriting would be required to effect a sale; in the case of a convertible security, whether or not it would trade on the basis of its stock equivalent; in the case of a debt obligation which would trade independently of any equity equivalent, the current yields on comparable securities; the estimated amount of the floating supply of such securities available for purchase; the proportion of the issue held by the Trust; changes in the financial condition and prospects of the issuer; the existence of merger proposals or tender offers affecting the issuer; and any other factors affecting fair value, all in accordance with the Investment Company Act of 1940, as amended (the "1940 Act"). In making valuations, opinions of counsel may be relied upon as to whether or not securities are restricted securities and as to the legal requirements for public sale.

When market quotations are readily available for unrestricted securities of an issuer, restricted securities of the same class are generally valued at a discount from the market price of such unrestricted securities. The Trustees, however, consider all factors in fixing any discount, including the filing of a registration statement for such securities under the 1933 Act and any other developments which are likely to increase the probability that the securities may be publicly sold by the Trust without restriction.

The Trustees meet at least once each quarter to approve the value of the Trust's portfolio securities as of the close of business on the last business day of the preceding quarter. This valuation requires the approval of a majority of the Trustees of the Trust, including a majority of the Trustees who are not interested persons of the Trust or of Babson Capital. In making valuations,

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35

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

the Trustees will consider reports by Babson Capital analyzing each portfolio security in accordance with the relevant factors referred to above. Babson Capital has agreed to provide such reports to the Trust at least quarterly.

The consolidated financial statements include private placement restricted securities valued at \$95,045,313 (86.51% of net assets) as of June 30, 2009 whose values have been estimated by the Trustees in the absence of readily ascertainable market values. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

The values for Rule 144A restricted securities and corporate public securities are stated at the last reported sales price or at prices based

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upon quotations obtained from brokers and dealers as of June 30, 2009, subject to discount where appropriate, and are approved by the Trustees.

Short-term securities with more than sixty days to maturity are valued at fair value and short-term securities having a maturity of sixty days or less are valued at amortized cost, which approximates market value.

Effective January 1, 2008, the Trust adopted FASB Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. FAS 157 requires companies to provide expanded information about the assets and liabilities measured at fair value and the potential effect of these fair valuations on an entity's financial performance.

Various inputs are used in determining the value of the Trust's investments. Using the hierarchy established under FAS 157, these inputs are summarized in the three broad levels listed below:

Level 1: quoted prices in active markets for identical securities

Level 2: other significant observable inputs (including quoted prices for similar securities, interest rates, prepayments speeds, credit risk, etc.)

Level 3: significant unobservable inputs (including the Trust's own assumptions in determining the fair value of investments)

The inputs and methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Trust's net assets as of June 30, 2009:

| ASSETS                | TOTAL                | LEVEL 1          | LEVEL 2             | LEVEL 3             |
|-----------------------|----------------------|------------------|---------------------|---------------------|
| Restricted Securities | \$ 99,123,247        | \$ --            | \$ 4,077,934        | \$95,045,313        |
| Public Securities     | 16,004,282           | 493,470          | 15,510,812          | --                  |
| Short-term Securities | 4,310,000            | --               | 4,310,000           | --                  |
| <b>TOTAL</b>          | <b>\$119,437,529</b> | <b>\$493,470</b> | <b>\$23,898,746</b> | <b>\$95,045,313</b> |

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

| ASSETS  | RESTRICTED<br>SECURITIES | PUBLIC<br>SECURITIES | SHORT-TERM<br>SECURITIES | TOTAL        |
|---|--------------------------|----------------------|--------------------------|--------------|
| Beginning balance<br>at 12/31/2008                                      | \$ 97,424,749            | \$ --                | \$ --                    | \$97,424,749 |
| Total gains or losses<br>(realized/unrealized)<br>included in earnings* | (6,203,469)              | --                   | --                       | (6,203,469)  |
| Purchases, sales, issuances<br>& settlements (net)                      | 3,824,033                | --                   | --                       | 3,824,032    |
| Transfers in and /<br>or out of Level 3                                 | --                       | --                   | --                       | --           |
| <b>ENDING BALANCE</b>   |                          |                      |                          |              |



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AT 06/30/2009                      \$ 95,045,313                      \$ --                      \$ --                      \$95,045,313

\*The amount of net losses for the period included in earnings attributable to the change in unrealized gains or losses relating to Level 3 assets still held at 06/30/09 is \$(6,356,510).

### B. ACCOUNTING FOR INVESTMENTS:

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis, including the amortization of premiums and accretion of discounts on bonds held using the yield-to-maturity method. The Trust does not accrue income when payment is delinquent and when management believes payment is questionable.

Realized gains and losses on investment transactions and unrealized appreciation and depreciation of investments are reported for financial statement and federal income tax purposes on the identified cost method.

### C. USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at

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36

MassMutual Participation Investors

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### D. FEDERAL INCOME TAXES:

The Trust has elected to be taxed as a "regulated investment company" under the Internal Revenue Code, and intends to maintain this qualification and to distribute substantially all of its net taxable income to its shareholders. In any year when net long-term capital gains are realized by the Trust, management, after evaluating the prevailing economic conditions, will recommend that Trustees either designate the net realized long-term gains as undistributed and pay the federal capital gains taxes thereon, or distribute all or a portion of such net gains.

The Trust is taxed as a regulated investment company and is therefore limited as to the amount of non-qualified income that it may receive as the result of operating a trade or business, e.g. the Trust's PRO RATA share of income allocable to the Trust by a partnership operating company. The Trust's violation of this limitation could result in the loss of its status as a regulated investment company, thereby subjecting all of its net income and capital gains to corporate taxes prior to distribution to its shareholders. The Trust, from time-to-time, identifies investment opportunities in the securities of entities that could cause such trade or business income to be allocable to the Trust. The MMPI Subsidiary Trust (described in Footnote 1, above) was formed in order to allow investment in such securities without adversely affecting the Trust's status as a regulated investment company.

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The MMPI Subsidiary Trust is not taxed as a regulated investment company. Accordingly, prior to the Trust receiving any distributions from the MMPI Subsidiary Trust, all of the MMPI Subsidiary Trust's taxable income and realized gains, including non-qualified income and realized gains, is subject to taxation at prevailing corporate tax rates. For the six months ended June 30, 2009, the MMPI Subsidiary Trust has not accrued any income tax expense.

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES - AN INTERPRETATION OF FASB STATEMENT NO. 109 ("FIN 48"). Management has analyzed the Trust's tax positions taken on federal income tax returns for all open tax years and has concluded that as of June 30, 2009, no provision for uncertain income tax positions would be required in the Trust's financial statements. The Trust's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

### E. DISTRIBUTIONS TO SHAREHOLDERS:

The Trust records distributions to shareholders from net investment income and net realized gains, if any, on the ex-dividend date. The Trust's net investment income dividend is declared four times per year, in April, July, October, and December. The Trust's net realized capital gain distribution, if any, is declared in December.

### F. EXPENSE REDUCTION:

Citibank, N.A. ("Citibank") serves as custodian to the Trust. Pursuant to the custodian agreement, Citibank receives a fee reduced by credits on cash balances the Trust maintains with Citibank. All credit balances, if any, used to reduce the Trust's custodian fees are reported as fees paid indirectly on the Statement of Operations. For the six months ended June 30, 2009, there were no credit balances used to reduce custodian fees.

## 3. INVESTMENT ADVISORY AND ADMINISTRATIVE SERVICES CONTRACT

### A. SERVICES:

Under an Investment Advisory and Administrative Services Contract (the "Contract") with the Trust, Babson Capital has agreed to use its best efforts to present to the Trust a continuing and suitable investment program consistent with the investment objectives and policies of the Trust. Babson Capital represents the Trust in any negotiations with issuers, investment banking firms, securities brokers or dealers and other institutions or investors relating to the Trust's investments. Under the Contract, Babson Capital also provides administration of the day-to-day operations of the Trust and provides the Trust with office space and office equipment, accounting and bookkeeping services, and necessary executive, clerical and secretarial personnel for the performance of the foregoing services.

### B. FEE:

For its services under the Contract, Babson Capital is paid a quarterly investment advisory fee equal to .225% of the value of the Trust's net assets as of the last business day of each fiscal quarter, an amount approximately equivalent to .90% on an annual basis. A majority of the Trustees, including a majority of the Trustees who are not interested persons of the Trust or of Babson Capital, approve the valuation of the Trust's net assets as of such day.

### C. BASIS FOR BOARD RENEWAL OF CONTRACT:

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At a meeting of the Board of Trustees held on April 24, 2009, the Trustees (including a majority of the Trustees who are not "interested persons" of the Trust or Babson Capital) unanimously approved a one year continuance of the Contract.

Prior to the meeting, the Board of Trustees requested and received from Ropes & Gray LLP, counsel to the Trust, a memorandum describing the Board of Trustees' legal responsibilities in connection with its review and reapproval of the Contract. The Board of Trustees also requested and received from Babson Capital extensive written and oral information regarding among other matters: the principal terms of the Contract; the reasons why Babson Capital was proposing the continuance of the Contract; Babson Capital and its personnel; the Trust's

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37

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

investment performance, including comparative performance information; the nature and quality of the services provided by Babson Capital to the Trust; financial strength of Babson Capital; the fee arrangement between Babson Capital and the Trust; fee and expense information, including comparative fee and expense information; profitability of the advisory arrangement to Babson Capital; and "fallout" benefits to Babson Capital resulting from the Contract.

Among other things, the Trustees discussed and considered with management (i) the aforementioned guidance provided by Ropes & Gray LLP and the information provided by Babson Capital prior to the meeting and (ii) the reasons Babson Capital put forth in support of the continuance of the Contract. These considerations are summarized below.

#### NATURE, EXTENT AND QUALITY OF SERVICES TO BE PROVIDED BY BABSON CAPITAL TO THE TRUST

In evaluating the scope and quality of the services provided by Babson Capital to the Trust, the Trustees considered, among other factors: (i) the scope of services required to be provided by Babson Capital to the Trust under the Contract; (ii) Babson Capital's ability to find and negotiate private placement securities having equity features that are consistent with the stated investment objectives of the Trust; (iii) the experience and quality of Babson Capital's staff; (iv) the strength of Babson Capital's financial condition; (v) the nature of the private placement market compared to public markets (including the fact that finding, analyzing, negotiating and servicing private placement securities is more labor-intensive than buying and selling public securities and the administration of private placement securities is more extensive, expensive, and requires greater time and expertise than a portfolio of only public securities); (vi) the potential advantages afforded to the Trust by its ability to co-invest in negotiated private placements with MassMutual and its affiliates; and (vii) the expansion of the scope of services provided by Babson Capital as a result of recent regulatory and legislative initiatives that have required increased legal, compliance and business attention and diligence. Based on such considerations, the Board of Trustees concluded that, overall, it is satisfied with the nature, extent and quality of services provided by Babson Capital, and expected to be provided in the future, under the renewed Contract.

#### INVESTMENT PERFORMANCE

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The Board also examined the Trust's short-term, intermediate-term, and long-term performance as compared against various benchmark indices presented at the meeting. In addition, the Trustees considered comparisons of the Trust's performance with the performance of (i) selected closed-end investment companies and funds that may invest in private placement securities and/or bank loans; (ii) selected business development companies with comparable types of investments; and (iii) investment companies included in the Lipper closed-end bond universe. It was acknowledged that, while such comparisons are helpful in judging performance, they are not directly comparable in terms of types of investments due to the fact that business development companies often report returns based on market value, which is affected by factors other than the performance of the underlying portfolio investments. Based on these considerations and the detailed performance information provided to the Trustees at the regular Board meetings each quarter, the Trustees concluded that the Trust's absolute and relative performance over time have been sufficient to warrant renewal of the Contract.

### ADVISORY FEE/COST OF SERVICES PROVIDED AND PROFITABILITY/ MANAGER'S "FALL-OUT" BENEFITS

In connection with the Trustees' consideration of the advisory fee paid by the Trust to Babson Capital under the Contract, Babson Capital noted that it was unaware of any registered closed-end investment companies that are directly comparable to the Trust in terms of the types of investments and percentages invested in private placement securities (which require more extensive advisory and administrative services than a portfolio of publicly traded securities, as previously discussed) other than MassMutual Corporate Investors ("MMCI"), which also is advised by Babson Capital. Under the terms of MMCI Investment Services Contract, with Babson Capital, MMCI is charged a quarterly investment advisory fee of 0.3125% of net asset value as of the end of each quarter, which is approximately equal to 1.25% annually. In considering the fee rate provided in the Contract, the Trustees noted the advisory fee charged by Babson Capital to Tower Square Capital Partners, L.P., Tower Square Capital Partners II, L.P., and Tower Square Capital Partners III, L.P., each a private mezzanine fund also managed by Babson Capital.

At the request of the Trustees, Babson Capital provided information concerning the profitability of Babson Capital's advisory relationship with the Trust. The Board also considered the non-economic benefits Babson Capital and its affiliates derived from its relationship with the Trust, including the reputational benefits derived from having the Trust listed on the New York Stock Exchange, and the de minimis amount of commissions resulting from the Trust's portfolio transactions used by Babson Capital for third-party soft dollar arrangements. The Trustees recognized that Babson Capital should be entitled to earn a reasonable level of profit for services provided to the Trust and, based on their review, concluded that they were satisfied that Babson Capital's historical level of profitability from its relationship with the Trust was not excessive and that the advisory fee structure under the Contract is reasonable.

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38

MassMutual Participation Investors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(UNAUDITED)

#### ECONOMIES OF SCALE

Finally, the Trustees considered the concept of economies of scale and

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possible advisory fee reductions if the Trust were to grow in assets. Given that the Trust is not continuously offering shares, such growth comes principally from retained net realized gain on investments and dividend reinvestment. The Trustees also examined the breakpoint features of selected competitive funds and noted that the minimum starting point for fee reductions was at least \$200 million whereas the Trusts' current net assets are near \$105 million. The Trustees concluded that the absence of breakpoints in the fee schedule under the Contract was currently acceptable given the Trust's current size and closed-end fund structure.

#### 4. SENIOR SECURED INDEBTEDNESS

MassMutual holds the Trust's \$12,000,000 Senior Fixed Rate Convertible Note (the "Note") issued by the Trust in 1995. The Note, as amended, is due December 13, 2011 and accrues interest at 5.80% per annum. MassMutual, at its option, can convert the principal amount of the Note into common shares. The dollar amount of principal would be converted into an equivalent dollar amount of common shares based upon the average price of the common shares for ten business days prior to the notice of conversion. For the six months ended June 30, 2009, the Trust incurred total interest expense on the Note of \$348,000.

The Trust may redeem the Note, in whole or in part, at the principal amount proposed to be redeemed together with the accrued and unpaid interest thereon through the redemption date plus a Make Whole Premium. The Make Whole Premium equals the excess of (i) the present value of the scheduled payments of principal and interest which the Trust would have paid but for the proposed redemption, discounted at the rate of interest of U.S. Treasury obligations whose maturity approximates that of the Note plus 0.50% over (ii) the principal of the Note proposed to be redeemed.

#### 5. PURCHASES AND SALES OF INVESTMENTS

|                                 | FOR THE SIX<br>MONTHS ENDED<br>06/30/2009   |  |
|---------------------------------|---|--|
|                                 | COST OF<br>INVESTMENTS<br>ACQUIRED<br>----- | PROCEEDS FROM<br>SALES OR<br>MATURITIES<br>----- |
| Corporate restricted securities | \$ 7,318,299                                | \$ 2,981,937                                     |
| Corporate public securities     | 6,039,002                                   | 8,133,516  |

The aggregate cost of investments is substantially the same for financial reporting and federal income tax purposes as of June 30, 2009. The net unrealized depreciation of investments for financial reporting and federal tax purposes as of June 30, 2009 is \$20,763,956 and consists of \$9,873,634 appreciation and \$30,637,590 depreciation.

#### 6. QUARTERLY RESULTS OF INVESTMENT OPERATIONS

|   | MARCH 31, 2009  |                    |
|---|-----------------|--------------------|
|   | AMOUNT<br>----- | PER SHARE<br>----- |
| Investment income   | \$ 3,196,335    |                    |
| Net investment income   | 2,655,746       | \$ 0.27            |
| Net realized and unrealized<br>loss on investments (net of taxes) | (7,386,587)     | (0.75)             |

| JUNE 30, 2009 |           |
|---------------|-----------|
| AMOUNT        | PER SHARE |

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|   |              |         |
|---|--------------|---------|
|   | -----        | -----   |
| Investment income   | \$ 2,895,878 |         |
| Net investment income   | 2,319,080    | \$ 0.23 |
| Net realized and unrealized<br>gain on investments (net of taxes) | 4,384,624    | 0.45    |

### 7. RESULTS OF SHAREHOLDER MEETING

The Annual Meeting of Shareholders was held on Friday, April 24, 2009. The Shareholders were asked to vote to elect as trustees William J. Barrett, Martin T. Hart, and Clifford M. Noreen for three year terms. The Shareholders approved the proposals. The Trust's other trustees, Donald E. Benson, Michael H. Brown, Donald Glickman, Robert E. Joyal, Corine T. Norgaard, and Maleyne M. Syracuse continued to serve their respective terms following the April 24, 2009 Annual Shareholders Meeting. The results of the Shareholder voting are set forth below.

| SHARES FOR                      | WITHHELD | TOTAL     | % OF SHARES<br>VOTED FOR |
|---------------------------------|----------|-----------|--------------------------|
| -----                           |          |           |                          |
| William J. Barrett<br>8,247,181 | 379,674  | 8,626,855 | 95.60%                   |
| Martin T. Hart<br>8,241,928     | 384,927  | 8,626,855 | 95.54%                   |
| Clifford M. Noreen<br>8,249,957 | 376,898  | 8,626,855 | 95.63%                   |

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39

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## MassMutual Participation Investors

### MEMBERS OF THE BOARD OF TRUSTEES

Donald Glickman

Robert E. Joyal

William J. Barrett

Michael H. Brown\*

Donald E. Benson\*

Dr. Corine T. Norgaard\*

Clifford M. Noreen

Martin T. Hart

Maleyne M. Syracuse

\*Member of the Audit Committee

### OFFICERS

Clifford M. Noreen  
Chairman

Michael L. Klofas  
President

James M. Roy  
Vice President & Chief  
Financial Officer

Patricia J. Walsh  
Vice President, Secretary  
& Chief Legal Officer

Jill A. Fields  
Vice President

Michael P. Hermsen  
Vice President

Mary Wilson Kibbe  
Vice President

Richard E. Spencer, II  
Vice President

Daniel J. Florence  
Treasurer

John T. Davitt, Jr.

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Comptroller

Melissa M. LaGrant  
Chief Compliance Officer

### DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

MassMutual Participation Investors offers a Dividend Reinvestment and Cash Purchase Plan (the "Plan"). The Plan provides a simple and automatic way for shareholders to add to their holdings in the Trust through the receipt of dividend shares issued by the Trust or through the reinvestment of cash dividends in Trust shares purchased in the open market. The dividends of each shareholder will be automatically reinvested in the Trust by Shareholder Financial Services Inc., the Transfer Agent, in accordance with the Plan, unless such shareholder elects not to participate by providing written notice to the Transfer Agent. A shareholder may terminate his or her participation by notifying the Transfer Agent in writing.

Participating shareholders may also make additional contributions to the Plan from their own funds. Such contributions may be made by personal check or other means in an amount not less than \$100 nor more than \$5,000 per quarter. Cash contributions must be received by the Transfer Agent at least five days (but no more than 30 days) before the payment date of a dividend or distributions.

Whenever the Trust declares a dividend payable in cash or shares, the Transfer Agent, acting on behalf of each participating shareholder, will take the dividend in shares only if the net asset value is lower than the market price plus an estimated brokerage commission as of the close of business on the valuation day. The valuation day is the last day preceding the day of dividend payment. When the dividend is to be taken in shares, the number of shares to be received is determined by dividing the cash dividend by the net asset value as of the close of business on the valuation date or, if greater than net asset value, 95% of the closing share price. If the net asset value of the shares is higher than the market value plus an estimated commission, the Transfer Agent, consistent with obtaining the best price and execution, will buy shares on the open market at current prices promptly after the dividend payment date.

The reinvestment of dividends does not, in anyway, relieve participating shareholders of any federal, state or local tax. For federal income tax purposes, the amount reportable in respect of a dividend received in newly-issued shares of the Trust will be the fair market value of the shares received, which will be reportable as ordinary income and/or capital gains.

As compensation for its services, the Transfer Agent receives a fee of 5% of any dividend and cash contribution (in no event in excess of \$2.50 per distribution per shareholder.)

Any questions regarding the Plan should be addressed to Shareholder Financial Services, Inc., Transfer Agent for MassMutual Participation Investors' Dividend Reinvestment and Cash Purchase Plan, P.O. Box 173673, Denver, CO 80217-3673.



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MassMutual  
Participation Investors

PI3555

ITEM 2. CODE OF ETHICS.

Not applicable for this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable for this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable for this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable for this filing.

ITEM 6. SCHEDULE OF INVESTMENTS

A schedule of investments for the Registrant is included as part of this report to shareholders under Item 1 of this Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable for this filing.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable to this filing. There have been no changes in any of the Portfolio Managers identified in the Registrant's most recent annual report on Form N-CSR.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT

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COMPANY AND AFFILIATED PURCHASERS.

Not applicable for this filing.

### ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable for this filing.

### ITEM 11. CONTROLS AND PROCEDURES.

- (a) The principal executive officer and principal financial officer of the Registrant evaluated the effectiveness of the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as of a date within 90 days of the filing date of this report and based on that evaluation have concluded that such disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by the Registrant on Form N-CSR is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) during the Registrant's second fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

### ITEM 12. EXHIBITS.

- (a) (1) ANY CODE OF ETHICS, OR AMENDMENTS THERETO, THAT IS THE SUBJECT OF DISCLOSURE REQUIRED BY ITEM 2, TO THE EXTENT THAT THE REGISTRANT INTENDS TO SATISFY THE ITEM 2 REQUIREMENTS THROUGH THE FILING OF AN EXHIBIT.

None.

- (a) (2) A SEPARATE CERTIFICATION FOR EACH PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER OF THE REGISTRANT AS REQUIRED BY RULE 30a-2 UNDER THE ACT.

Attached hereto as EX-99.31.1

Attached hereto as EX-99.31.2

- (a) (3) ANY WRITTEN SOLICITATION TO PURCHASE SECURITIES UNDER RULE 23c-1 UNDER THE ACT (17 CFR 270.23c-1) SENT OR GIVEN DURING THE PERIOD COVERED BY THE REPORT BY OR ON BEHALF OF THE REGISTRANT TO 10 OR MORE PERSONS.

Not applicable for this filing.

- (b) CERTIFICATIONS PURSUANT TO RULE 302-2(b) UNDER THE ACT.

Attached hereto as EX-99.32

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this

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report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): MassMutual Participation Investors  
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By: /s/ Michael L. Klofas  
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Michael L. Klofas, President  
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Date: September 9, 2009  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Michael L. Klofas  
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Michael L. Klofas, President  
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Date: September 9, 2009  
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By: /s/ James M. Roy  
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James M. Roy, Vice President and  
Chief Financial Officer  
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Date: September 9, 2009  
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